

City of Wenatchee, Washington

Adopted Budget For Fiscal Year 2009

Dennis Johnson
Mayor

Mark S. Calhoun
Finance Director

Deanne McDaniel & Lisa Johnson
Accounting Supervisors

City Hall
P.O. Box 519
129 South Chelan
Wenatchee, WA 98807-0519
Website: www.wenatcheewa.gov
Phone: (509) 888-6200
Fax: (509) 888-6201

*"To create community through responsive leadership and
services for the citizens and visitors of the Apple Capital of the World"*

**City of Wenatchee, Washington
Principal Officials**

CITY COUNCIL

Mayor	Dennis Johnson Third term expires: December 31, 2011
Council Position #1	Jim Bailey First term expires: December 31, 2009
Council Position #2	Craig Larson Second term expires: December 31, 2009 (resigned April 2008) Gaby Fernandez First term expires: December 31, 2009
Council Position #3	Karen Rutherford First term expires: December 31, 2009
Council Position #4	Doug Miller First term expires: December 31, 2009
Council Position #5	Mark Kulaas First term expires: December 31, 2011
Council Position #6	Don Gurnard Second term expires: December 31, 2011
Council Position #7	Carolyn Case First term expires: December 31, 2011

CITY ADMINISTRATION

Attorney
City Clerk
Community Development Director
Executive Service Director
Finance Director
Fire Chief
Human Resource Director
Information Technology Director
Museum Director
Parks and Recreation Director
Police Chief
Public Works Director of Operations
Public Works Director of Engineering

Steve Smith
Vicki Reister
Rick Smith
Allison Williams
Mark Calhoun
Stan Smoke
Sandra Smeller
Dale Cantrell
Brenda Abney
Dave Erickson
Tom Robbins
Dan Frazier
Steve King

CITY OF WENATCHEE ORGANIZATIONAL CHART

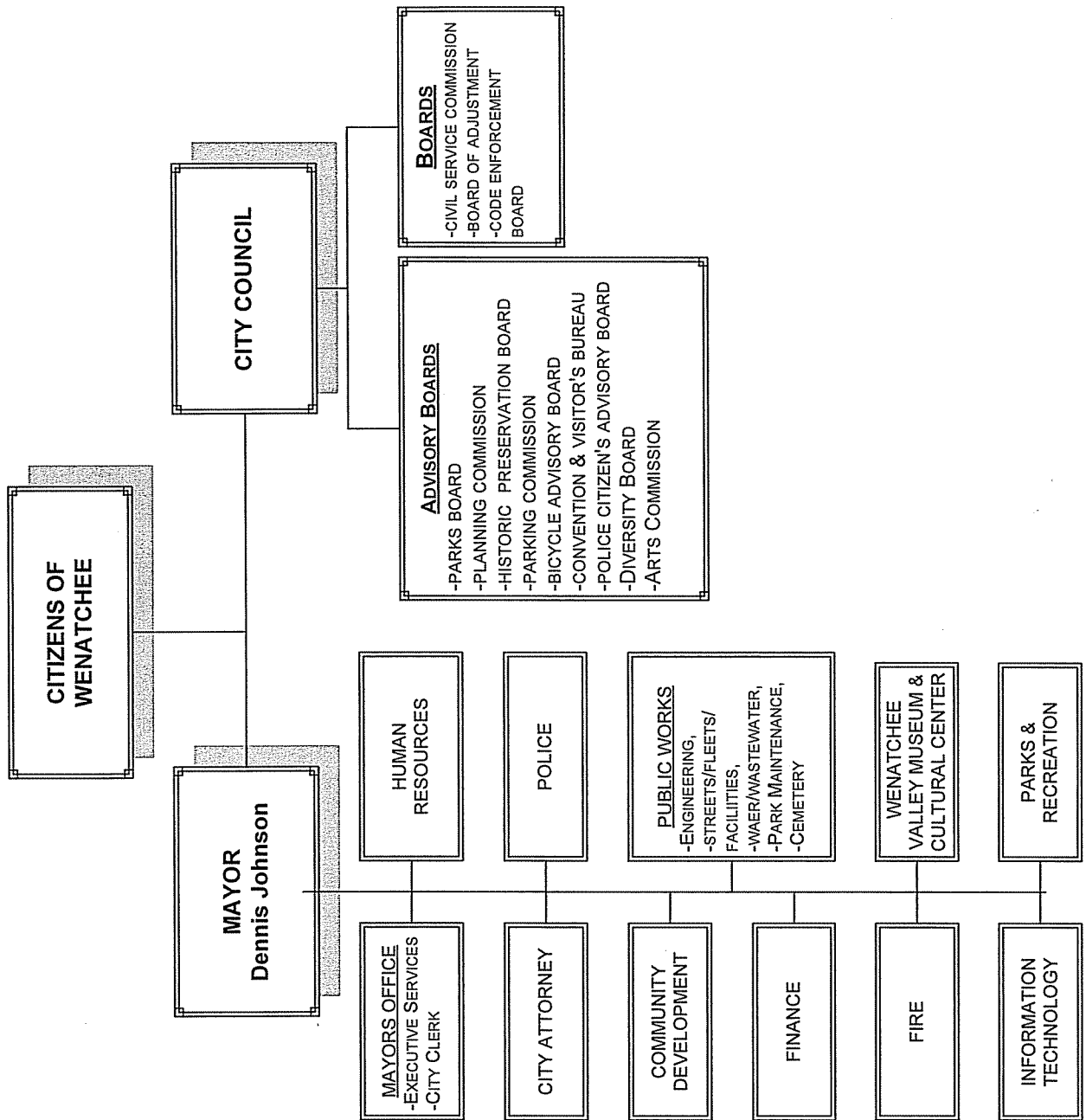


Table of Contents

INTRODUCTORY SECTION

Part 1 Budget Message	1-1
Part 2 User Guide	2-1
Part 3 Governmental Revenues	3-1
Part 4 Budget Summary	
Overview	4-1
Revenue and Expenditure Summary by Fund Type	4-3
Full-Time Equivalent Employees (FTEs)	4-20
General Fund Recurring Revenues by Source	4-21
General Fund Recurring Expenditures by Function	4-23
Part 5 Capital Financing Plan	
2009 Capital Purchases/Construction by Fund	5-1
Capital Facilities Plan for the Period 2008-2013	5-10
Part 6 Debt Issues	6-1

FINANCIAL SECTION

Part 7 General Fund	
City Council	7-1
Finance Department	7-5
Human Resource Department	7-8
Legal Services	7-11
Code Enforcement Division	7-13
Planning Division	7-15
Engineering Division	7-17
Recreation / Swimming Pool	7-21
Parks Maintenance	7-24
Wenatchee Valley Museum & Cultural Center	7-27
Fire Department	7-31
Police Department	7-35
Public Defender/District Court	7-41
Chelan County Regional Justice Center (the jail)	7-43
Rivercom	7-44
Civil Service	7-45
Other Administrative	7-46
Capital Outlay	7-48

Part 8 Special Revenue Funds

Public Arts Commission.....	8-1
Paths and Trails.....	8-2
Tourism Promotion Area.....	8-4
Hotel/Motel Tax-Capital.....	8-5
Convention Center.....	8-7
Hotel/Motel Tax-Tourism	8-10
Public Works Dept.-Street Division.....	8-12
Public Works Dept.-Arterial Street.....	8-16
LEOFF 1 - Long-Term Care.....	8-19
Public Works Dept.-Street Overlay.....	8-22
Low Income Housing	8-24
Community Center Operations	8-26
CDBG Entitlement	8-28
LEOFF 1 – Health Care	8-30
Homeless Housing Fund	8-32

Part 9 Debt Service Funds

UTGO Bonds – Police Station Construction.....	9-1
LTGO (Councilmanic) Bonds.....	9-2

Part 10 Capital Projects Funds.....

Real Estate Excise Tax.....	10-1
Orondo Boat Moorage	10-2
Foothills Trail	10-3
City Hall-HVAC/Chamber Upgrades.....	10-4

Part 11 Enterprise Funds.....

Public Works Dept.-Water/Wastewater	11-1
Public Works Dept.-Storm Drain	11-6
Public Works Dept.-Regional Water	11-9
Public Works Dept.-Solid Waste.....	11-11
Public Works Dept.-Cemetery	11-13

Part 12 Internal Service Funds

Public Works Dept.-Equipment Operations & Maintenance.....	12-1
Public Works Dept.-Equipment Replacement	12-4
Public Works Dept.-Facility Maintenance	12-6
Self Insurance.....	12-9
Data Processing	12-12

Part 13 Fiduciary Funds.....

Cemetery Endowment Fund.....	13-1
Firemen's Pension Fund.....	13-2

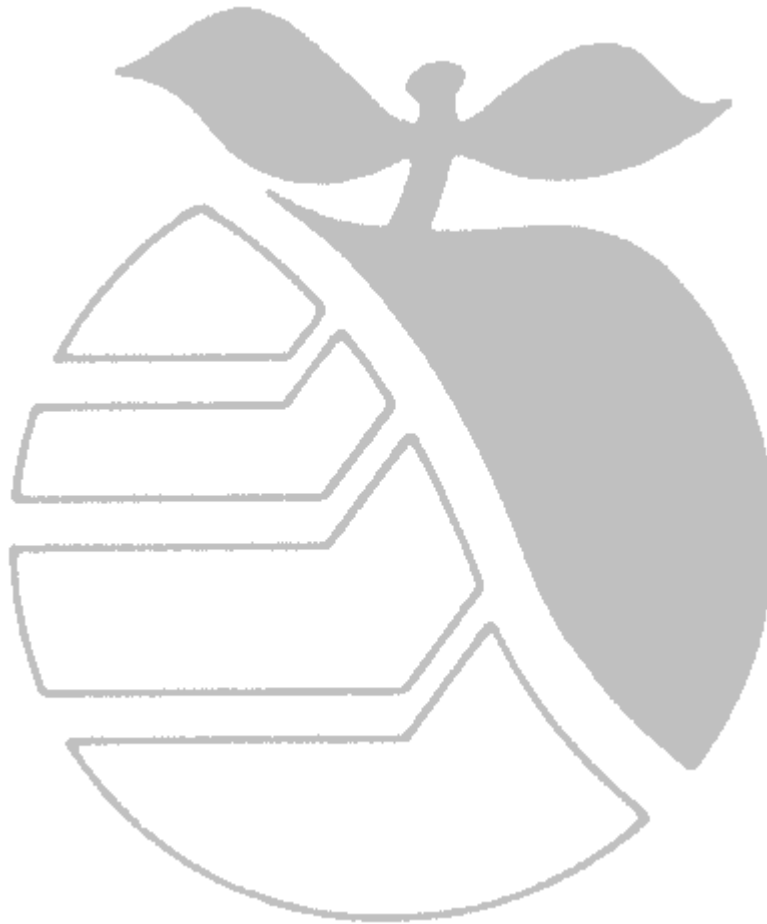
SUPPLEMENTAL SECTION**Part 14 Budget Ordinance 14-1****Part 15 Pay Plans**

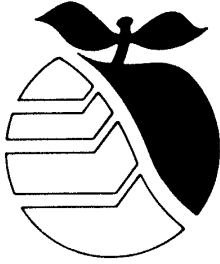
Overview	15-1
Management/Administrative Group Pay Plan	15-2
AFSCME Group (public works union) Pay Plan	15-3
IAFF #453 (firefighter union) Pay Plan	15-4
Police Guild Pay Plan	15-5
Health Insurance Premiums – Mgmt	15-6
Health Insurance Premiums – Mgmt (half time)	15-7
Health Insurance Premiums – AFSCME	15-8
Health Insurance Premiums – AFSCME (half time)	15-9
Health Insurance Premiums – Police Guild - LEOFF 2	15-10
Health Insurance Premiums – Fire Union - LEOFF 2	15-11

Part 16 Statistical Information..... 16-1**Part 17 Glossary of Budget Terms..... 17-1**

This page left intentionally blank.

Part 1. Budget Message





City of Wenatchee, WA
P.O. Box 519
129 South Chelan Avenue
Wenatchee, WA 98807-0519
509/888-6200
509/888-6201 fax

Honorable City Council
and Citizens of Wenatchee
City of Wenatchee, Washington

March 2009

Submitted herewith is the final budget for the City of Wenatchee's fiscal year 2009. The budget is submitted consistent with RCW 35.33.051 and prior practice of the City with respect to budget preparation. The enclosed financial and narrative data reflect the budget that was adopted by the Wenatchee City Council via Ordinance #2008-37, on December 11, 2008. While the budget ordinance is the legal authority to expend public moneys, much more goes into developing and implementing the mix of public services found in Wenatchee. The remainder of this document describes the 2009 budget development process and resulting programs and services.

BUDGET PRIORITIES

Consistent with prior year's practice, the City's budget was prepared with the input of the Mayor, City Council, and Staff. The first step of the 2009 Budget development process began in a February 2008 retreat attended by the Mayor and City Council where the future direction of the City and service priorities were discussed at length. The next step was a July 2008 meeting hosted by the Mayor that included City Council members and City Staff where staff were given the opportunity to discuss the delivery of City services as they currently existed and their vision of how the services could be improved and/or expanded and the resources that would be necessary to accomplish this. At the conclusion of this meeting staff were instructed to prepare initial budgets that included their requests for enhanced services and over the ensuing months, the Mayor, Finance Director and City Staff worked towards the completion of the budget itself. Updates on the budget development process were provided to the council members at meetings that were held on October 9, October 30, November 20, and December 11, 2008. At each meeting the council members and public were given the opportunity to address the progress to date and provide input into the process itself.

KEY BUDGET ISSUES

Throughout the budget process, a number of topics were discussed that tended to be more related to long-term policy issues rather than concerns of day-to-day operations. The solutions to these issues require the involvement of the Mayor, Council and Staff and are presented in detail below.

1. ECONOMIC DEVELOPMENT WITHIN THE CITY OF WENATCHEE

Ongoing discussions between the Mayor, Council and City Staff have repeatedly identified economic development as the primary concern for the future fiscal health of the City. Given the tax structure in the City of Wenatchee where nearly 36% of 2009 general fund recurring revenues are derived from sales tax, it is essential that the City encourage retail development. If it does not hold a leadership position in retail sales, the City could be in danger of becoming an area where the population lives and demands services such as public safety, streets, and parks, but which has its population spending their sales tax dollars elsewhere. We believe it is not possible for the

City to remain static in such an environment and that significant retail growth outside the City limits will draw shopper traffic and sales tax dollars from our existing base with the potential result of reductions in historical levels of City services.

Following is a history of sales tax receipts for the years 1993 through 2009:

Year	Sales Tax Received	\$ Change	% Change
1993	\$ 3,935,345	---	---
1994	\$ 4,081,160	145,815	3.71%
1995	\$ 4,240,545	159,385	3.91%
1996	\$ 4,359,737	119,192	2.81%
1997	\$ 4,712,930	353,193	8.10%
1998	\$ 4,920,261	207,331	4.40%
1999	\$ 4,922,102	1,841	0.04%
2000	\$ 4,978,163	56,061	1.14%
2001	\$ 5,084,281	106,118	2.13%
2002	\$ 5,240,679	156,398	3.08%
2003	\$ 5,462,849	222,170	4.24%
2004	\$ 6,125,712	662,863	12.13%
2005	\$ 6,330,402	204,690	3.34%
2006	\$ 7,096,681	766,279	12.10%
2007	\$ 7,498,157	401,476	5.66%
2008	\$ 7,676,653	178,496	2.38%
2009	\$ 7,794,000	117,347	1.53%
<i>--1993 through 2008 represent actual collections</i>			
<i>--2009 represent budget estimate</i>			

Much of the growth during the years 2004 through 2008 has been related to construction activities throughout our community but we have also experiencing increases among many categories of business which has been reflective of a very robust economy.

Streamlined Sales Tax Project

In 2007 the Washington State Legislature approved SSB 5089 which was the culmination of a multi-year effort by cities, counties, the state and businesses to bring Washington State in compliance with the national Streamlined Sales Tax Agreement. Passage of the bill qualifies the State to join the Streamlined Sales Tax Project (SSTP) governing board that will decide the rules for future streamlined sales tax provisions. A desired outcome of the SSTP is to convince Congress to adopt pass enabling legislation allowing states to collect sales tax on remote sales (e.g. mail-order, internet, or television sales by persons with no physical presence in the state), because as they continue to grow, sales tax losses to local governments and states are expected to be substantial. Another goal of the SSTP is to make sales taxes simpler and more uniform across the country.

With the conditions of the SSTP now adopted by the State of Washington, beginning July 1, 2008 future distributions of sales taxes are to be based upon a "sourcing concept" where the jurisdiction receiving the sales tax dollars will be at the point of delivery as opposed to the point of sale. In the case of internet sales this will be a benefit to most cities in Washington. A negative outcome to this legislation however is that sales made within a particular city but *delivered* elsewhere (i.e. furniture or construction supplies) will be credited to the jurisdiction where the delivery takes place. A study directed by the Washington Legislature in 2004 and done by the Department of Revenue determined that sourcing rule changes will cause a loss of revenue for

nearly 140 cities, counties, and transit agencies, and that the City of Wenatchee's annual loss would be approximately \$56,700 (approximately 1% of 2004 collections). Much of the debate in the State of Washington among all parties has been how to deal with the losses anticipated by the negatively impacted cities, but ultimately, because the State of Washington is expected to collect nearly \$250 million annually from remote sellers, SSB 5089 provides for full mitigation to those cities that are negatively impacted by destination based sourcing.

At the writing of this document the Washington State Department of Revenue has thus far released only the results of the SST for the 3-month period July through September 2008 which showed the City actually gained \$4,560 in tax revenues as a result of destination based SST and as a result we were ineligible for a mitigation payment. The results included "firm level detail" information that compared 3rd quarter 2007 to 3rd quarter 2008 which was helpful in determining which businesses paid sales tax to the City of Wenatchee. It was interesting however that the instructions accompanying this information stated:

"You should not try to use this data to recreate your mitigation payment. The Department's calculations used several pieces of information which cannot be disclosed. For instance, Streamlined Sales Tax registrants are not included in this file. To calculate your mitigation payment you would need these records. For this reason, and many others, it is impossible for you to use this data to recreate your mitigation payment."

The lack of transparency on the part of the Department of Revenue is frustrating but we will continue to monitor subsequent results as they are reported to ascertain that we are receiving sales taxes from a variety of vendors located outside of Wenatchee but who are known to make deliveries to our location.

Economic Development

In the late 1990's Wenatchee's primary industry, agriculture, went through a major shift. As a result, it forced the city and partners to take a step back and look at how we were approaching economic development. If the agricultural industry was going to continue to struggle, what were our options? Was the elusive manufacturer out there who would bring us 200 jobs? Did we have the land base even to support such a recruit? How were we supporting those industries already here? What was in store for our future? In 1999, the city hired the Center for the New West to carry out a High Performance Community Strategy. This effort brought together our leaders, gave us focus and provided us with a road map for our future community and economic development. The analysis resulted in 16 recommendations, which our leaders are still following, even though some actions have been completed:

1. Build and sustain work force education and training capacity that teaches and/or updates computer and information technology skills.
2. Provide access to the growing Hispanic community and others for whom the "digital divide" is a reality by equipping a community center in South Wenatchee with advanced telecommuting capabilities.
3. Create a one-stop business center to improve the delivery of services to the small business community.
4. Deploy NxLevel Entrepreneur training programs for business start-ups, agriculture/food specialty companies, micro-enterprises, youth entrepreneurs. Spanish versions of these training programs should be made available to Hispanic entrepreneurs.
5. Pursue the recommendation of the SCORE incubator study team "to further quantify the community's need, expected payoff and degree of community support" for one or more incubators.
6. Develop an Internet/information technology cluster in the Wenatchee area.
7. Implement an opportunity assessment initiative to identify upstream, downstream and spin-off business opportunities and other economic activities, e.g. research, that may exist in companies, institutions or organizations already in the community.
8. Refocus current industrial recruitment efforts on those that build on local networks and relationships

9. Animate the downtown and Columbia River areas with commercial, housing, recreational and cultural activities that will bring people to these areas.
10. Explore the development of a Public Development Authority, comprised of multiple jurisdictions, to purchase and manage Mission Ridge as a community-owned ski area.
11. Examine ways to improve the aesthetics of gateways into the city, either through landscaping or incorporation of the thematic "fruitful" street signs recently erected.
12. Implement programs to enhance the supply of housing suitable for LMI families.
13. Start a leadership training program that informs participants about governance and development issues pertinent to the region as well as providing them with leadership skills.
14. Develop regional approaches to multi-jurisdictional problems.
15. Launch an ongoing "community forum" process that enables civic leaders and citizens to meet and address issues, solve problems, or think about the future.
16. Begin long-term planning for infrastructure improvements that are critical to the region's full participation in the global economy.

The focus provided by this effort has yielded great results as several of the recommendations have been implemented by many of the entities. The Wenatchee Community Center is now operating and is providing a focal point for job training and economic support of our most at risk populations. The implementation of a new vision for the city's waterfront is underway, and as of December 2008, over \$130 million in public/private reinvestment projects were under construction with another \$216 million on the way, although somewhat slowed by the national economy. These projects are expected to materialize as the economy loosens in 2010 - 2012. This new vision for the waterfront and reinvestment in the city's urban core will enable Wenatchee to achieve a vision for its foothills and recreational assets that prove to be a business and professional recruitment calling card. In fact, in 2006, Yahoo and in 2007, Sabey Corporation became new recruits for the valley, based on what our valley was able to offer. Waterfront infrastructure highlights include:

- TIB Grant received for Riverside Drive, the centerpiece of the waterfront plan, bordering over 20 acres of private property that will be redeveloped. Private plans call for approximately 1 million square foot in mixed use development complementing the waterfront. (Riverside Drive project Phase 1 is \$3.34 million for design and ROW acquisition and final design in 2008 and bid January 2009 for construction in 2009).
- Enabling legislation to form a Public Facilities District was secured in 2006 and the PFD district comprised of 9 jurisdictions was formed in June 2006. This new organization, through a lease-option agreement and support from the city, has caused the \$52 million Greater Wenatchee Regional Events Center to be constructed and the facility opened with much fanfare in October 2008. The new multipurpose facility includes a replacement of the city's ice arena and 4,300 fixed seats that house the Wenatchee Wild, a NAHL semi-pro hockey, Disney on Ice and numerous events. A contract has been signed with Global Entertainment to manage the facility and over 100 jobs have materialized.
- A \$10 million grant with the Washington State Community Economic Revitalization Board was awarded during the 2007 Legislative Session. \$8.3 million paid for the construction / acquisition of the events center and \$1.7 has been spent for the \$3.2 million upgrade to Walla Walla Street which was completed in 2007.
- TIB Grant received for the realignment of Hawley and Walnut at the northern gateway to the waterfront and construction was completed in 2007.
- RCO funds, coupled with funds from the Port of Chelan County, will construct the Wenatchee Riverfront Day Use Moorage and Parking Expansion project in 2009.

The philosophy of the city with regard to economic development is to be a catalyst, to continually maintain and upgrade city infrastructure and to enhance the community in order to attract new business development. As a result, new activities include:

- In 2008, the city, with support from Chelan County, completed \$700,000 in technology upgrades to the Stanley Civic Center/ Wenatchee Convention Center. A Phase 2 project that includes additional breakout space and improvements to the outdoor plaza are contemplated after a new operating agreement is signed for the center in 2009.

- Another activity directly related to economic development involves the City's promotion of tourism throughout the Wenatchee Valley. In addition to the ongoing and successful operation of the Wenatchee Valley Convention and Visitors Bureau, which is supported by a portion of the City's hotel/motel tax, in late 2006, the Wenatchee Hotel Motel Association asked to have the city designated as a Tourism Promotion Area. This new assessment will continue to provide additional funds for marketing Wenatchee as a convention and visitor destination. The city was a catalyst for bringing together entities in an effort to attract activity from the 2010 Olympics in Vancouver BC. The new E3 (Escape, Explore, Enjoy North Central Washington) was born in 2008 and marketing efforts will continue through 2010.
- The city will look to upgrade and add new facilities including a future expansion of the Wenatchee Valley Museum and Cultural Center and a new headquarter Fire Station, and will continue working with the Wenatchee Valley Farmers Market, the Wenatchee Row and Paddle Club and the Wenatchee Applesox in their efforts to develop new and / or permanent facilities.
- The city will look to assist in creating long term solutions for the urban area's transportation congestion issues. Freight mobility is a key need for this North Central Washington region to remain competitive, as the agricultural industry and newly developing wine industry need access to urban markets and ports. The city and partners will continue to work on funding mechanisms for the needed improvements to these congestion issues, including the critical need for a third bridge.
- Finally, the city will be at the forefront of helping to maintain and enhance the Wenatchee Reclamation Bridge, the first bridge across the Columbia River, that now delivers water to over 4,000 acres in East Wenatchee/Douglas County.

Economic development is a topic that will continue to be at the forefront of Council and Staff discussions and will be included in the development of subsequent budgets and identified long range in the adopted Capital Facilities Plan for the city.

2. CAPITAL FACILITIES

For many years, the City budget was focused almost exclusively on the operation of various programs at the expense of capital outlay costs to maintain and/or upgrade existing infrastructure or replace facilities when necessary. As our buildings have aged it has become apparent that we must be more intentional in developing maintenance programs and begin to plan for future renovation and replacement.

- **Facility Maintenance**

During 1996, the City developed a program that continues to provide for the repair and maintenance of all City facilities. The program was accomplished through the efforts of one full-time employee who worked 12 months of the year and three full-time Parks Department employees who worked at this task between November and February each year (three employees for four months each equals a second full-time employee). The 1998 Budget development process revised this program and released the three Parks Department employees from facility maintenance activities and returned them to late fall and early spring functions of the Parks Department as well as snow removal efforts throughout the City during winter months. In 1998 the City added a second full-time employee and in 2005 a third full-time employee whose efforts have been dedicated to the continuance of the City's facility maintenance program. In 2007 the City further expanded this program with the addition of a Maintenance Supervisor position whose time is allocated approximately 25% towards overseeing the facility maintenance crew.

- **Facility Renovation and Replacement**

Planning for the eventual renovation and/or replacement of existing facilities began in the summer of 1995 when the City Commission appointed a 24-member citizen advisory committee to work with an architectural firm that was hired to conduct a comprehensive facility study. This study would be carried out through three phases. Phase 1 developed a "space needs assessment" for the police, fire, public works and city hall buildings and was

completed in December 1995. Phases 2 and 3 were carried out during the first half of 1996 and addressed how to solve the “space needs deficiencies” identified in Phase 1. The end product of these efforts was a recommendation by the Citizens Advisory Committee that the City pursue the following:

- Replace the existing fire station with a new facility located at another site.
- Replace the existing police station.
- Renovate portions of the museum building.
- Renovate portions of the ice arena.

Since that time there has been a concerted effort and financial commitment by the City to address these concerns and others that have arisen over the ensuing years. Following is a summation of progress made to date:

Police Station

- In 1998 a parcel of land adjacent to city hall and the police station was acquired at a cost of \$644,000.
- On September 18, 2001, a proposition to issue \$4,800,000 in bonds for the construction of a police station was approved by nearly 68% of the voters. The bonds were issued in the latter part of 2001 and the facility was operational by May 2004.

Ice Arena

Between 2002 and 2004 the City spent approximately \$900,000 towards the renovation of its Ice Arena including the addition of insulation, upgrade of the dehumidification and ventilation systems and installation of new flooring. This renovation extended the period of time we were able to maintain ice in the facility and attract additional hockey and figure skating events to our community. The ice arena facility closed after the 2007/2008 as a result of the October 2008 opening of the Event Center owned and operated by the Greater Wenatchee Regional Events Center PFD.

Public Works/Community Development Facility

The City Council has embraced a number of strategies suggested by the Center for the New West (referred to in the previous section under Economic Development) including an effort to redevelop our downtown and riverfront areas. As a result the Mayor and Council worked closely with staff to relocate the City's Public Works and Community Development Departments from a site adjacent to the Columbia River to a new location on the northwest edge of the City. This had been a multi-year effort resulting in the construction of a \$15.8 million facility that was completed in the latter part of 2008.

Fire Station

At each of the Council retreats held in the winter of 2007 through 2009 the Mayor and Council determined that the replacement of our 80-year old main fire station is a priority. During 2007 the City selected an architect to render a preliminary design for a new facility and search for sites for an additional, contemporary station. During 2008 a design was rendered and site selected and the November 2008 ballot requested the voters to approve a \$15.1 million bond to acquire land and construct a new facility. This ballot received 58% approval from the voters, narrowly missing the 60% approval required to move forward. At the 2009 Council retreat the Council agreed this project remains a priority and has instructed staff to review the scope of the project with an eye toward a November 2009 ballot question.

Park Facilities

During 2006 the City completed a comprehensive Parks and Recreation Plan that was financed by the General Fund at a cost of nearly \$31,000. The plan recommended park land additions and improvements of \$14 million. At this point the Mayor and City Council await specific recommendations from the Parks Board as to a prioritization of projects.

Museum Facility

The City Council has begun preliminary discussions on expansion and renovation projects at the Museum that are expected to cost approximately \$4.8 million.

3. WASHINGTON STATE INITIATIVES AND REFERENDUMS

In recent years, cities in the State of Washington have struggled with the financial impacts resulting from the passage of a number of citizen sponsored initiatives and referendums.

- **Initiative 695 (I695)**

In November 1999, the citizens of the State of Washington voted to approve I695. This initiative impacted the State, counties, special taxing districts and cities, and resulted in three significant changes:

1. Repealed the motor vehicle excise tax (MVET).
2. Increased the registration fee (license tab fee) to \$30 for passenger cars, cabs, motor homes, travel trailers, motorcycles and other trailers and tow trucks (the registration fee was \$27.75 for first-time registrations and \$23.75 for subsequent annual renewals).
3. Required that any tax or fee increase imposed by the State (or City) shall require voter approval.

I695 was subsequently declared unconstitutional in its entirety by the Washington State Supreme Court, but during the 2000 Washington State Legislative Session, the Legislature passed a law that repealed the MVET and set the registration fee for vehicles at \$30.

The immediate impact on the City of Wenatchee as a result of the passage of I695 (and ultimately the Legislature's action repealing the MVET) was the loss of \$410,000 in Washington State remitted MVET money that was earmarked for the purpose of financing criminal justice activities (police operations). Although the \$410,000 of MVET money that was lost was dedicated to police operations, the City chose to not simply reduce the Police Department budget by \$410,000. Instead, every attempt was made to minimize the impact on criminal justice activities by cutting back on other City programs that were deemed less essential. Ultimately, expenditure reductions came in the form of the elimination of some existing programs and what would have been enhancements to various levels of service beginning with the 2000 Budget.

Calendar year 2008 will be the tenth consecutive year in which the City of Wenatchee will operate without the benefit of MVET money, which is estimated to be a cumulative loss of approximately \$4.1 million since 2000.

- **Referendum 47**

Voter passage of Washington State Referendum No. 47 (R47) in November 1997 restricted a city's ability to increase property taxes during the 4-year period it was in effect (1998 – 2001). The impact of this referendum was that the maximum amount the regular property tax levy could be increased in any year by a simple majority vote of the legislative body would be the lesser of six percent or the rate of inflation. Inflation was defined as the increase in the implicit price deflator (IPD) published by the Bureau of Economic Analysis in September of each year. With a finding of "substantial need", the legislative body is allowed to increase the total levy by as much as six percent with a majority vote plus one.

In 1997 the IPD was computed as 1.9% for the 1998 Budget. During the 1998 Budget development process, the City Commission determined that there was a "substantial need" for more than the IPD increase due to the City's street overlay program and set the tax increase at 6%. Of the total 6%, one-half (or \$96,253) was dedicated to debt service on bonds issued with the remainder supporting continuing General Fund operations.

In 1998 the IPD was computed as .85% for the 1999 Budget. During the 1999 Budget development process, the City Commission again determined that there was a substantial need for more than the IPD increase, again due to the City's street overlay program and set

the tax increase at 4%. Of the total 4%, three-fourths (or \$105,513) was dedicated to debt service on bonds issued with the remainder supporting continuing General Fund operations.

In 1999 the IPD was computed as 1.42% for the 2000 Budget. During the 2000 Budget development process, the City Commission determined that a substantial need existed simply in order to provide existing levels of service in the General Fund because the City's actual cost increases far exceeded 1.42%. Wage increases alone representing 69% of General Fund expenditures were expected to increase from 2.5 to 3.0% due to contractual language with the City's labor unions. As a result of this determination, the Commission voted to raise property taxes by 2% (exceeding the IPD by .58%).

Referendum 47 was replaced by Initiative 747.

• **Initiative 747 (I747)**

- On November 6, 2001, voters in the State of Washington approved Initiative 747 (I747) which limits the increase in property tax to the lower of 101% or the IPD (Implicit Price Deflator). Local increases in excess of 1% were allowed if the *citizens* of a jurisdiction voted to approve a levy lid lift.
- On November 8, 2007, the Washington State Supreme Court struck down I747, which resulted in a reversion to the rules imposed by R47, which limited property tax levies to the lesser of inflation or 6%, except upon a finding of substantial need where the increase could be as much as 6%.
- On November 29, 2007, the Washington State Legislature met in a one-day special session and reinstated the provisions of I747.

As a result of this initiative and the subsequent action by the Legislature, the City has raised property taxes by just 1% in each of the years 2002 through 2009. Because of the limit in the growth of property tax revenues, City officials are concerned that levels of service will quickly erode in an ongoing environment where the annual cost of service increases by approximately 3%, yet the revenues that support those services grow by only 1%. Following is a history of the financial impact of I747 since its inception:

Year	Initiative 747 Increase of 1%	Average CPI Increase of 3%	Property Tax Loss						Cumulative Prop. Tax Loss
			2002 through 2004	2005	2006	2007	2008	2009	
2002	\$41,000	\$123,000	\$82,000	\$0	\$0	\$0	\$0	\$0	\$82,000
2003	\$42,000	\$126,000	\$166,000	\$0	\$0	\$0	\$0	\$0	\$166,000
2004	\$43,000	\$129,000	\$252,000	\$0	\$0	\$0	\$0	\$0	\$252,000
2005	\$44,000	\$132,000	\$252,000	\$88,000	\$0	\$0	\$0	\$0	\$340,000
2006	\$46,000	\$138,000	\$252,000	\$88,000	\$92,000	\$0	\$0	\$0	\$432,000
2007	\$47,500	\$142,500	\$252,000	\$88,000	\$92,000	\$95,000	\$0	\$0	\$527,000
2008	\$49,450	\$148,350	\$252,000	\$88,000	\$92,000	\$95,000	\$98,900	\$0	\$625,900
2009	\$51,200	\$153,600	\$252,000	\$88,000	\$92,000	\$95,000	\$98,900	\$102,400	\$728,300
			<u>\$1,760,000</u>	<u>\$440,000</u>	<u>\$368,000</u>	<u>\$285,000</u>	<u>\$197,800</u>	<u>\$102,400</u>	<u>\$3,153,200</u>

Although one would reasonably argue that the calendar year 2009 loss of \$728,300 (and cumulative loss of \$3,153,200 over 8-years) that remains in the direct control of the tax payer is good for them, the City finds itself in the position of facing the elimination of a like amount of existing services because we are unable to keep-up with rising costs. These annual revenue losses will continue to compound in subsequent years due to the disparity between the reality of a consumer price index (CPI) averaging 3%, and a 1% limit in this particular source of revenue. It is likely the City may have to periodically request a voter approved levy lid lift in order to maintain acceptable levels of service.

No matter the outcome of any future referendums or initiatives that arise in the future, we will endeavor to provide the highest levels of service possible while at the same time abiding by the constraints imposed by law.

4. STREET OVERLAY PROGRAM

During 1996 the City's Public Works Department developed a street overlay program designed to repave all City streets over a 15-year repeating cycle. A citizens advisory committee was appointed by the City Commission to review the plan and make recommendations as to how funding could be obtained in order to implement the program. The Committee accepted the plan as prepared by the Public Works Department and recommended a number of voter approved tax increases dedicated to overlay projects.

During 1998 the City issued \$4.1 million in non-voted general obligation bonds whose proceeds were used to eliminate the backlog of streets in immediate need of overlay. Debt service on these bonds is approximately \$376,000 per year through the year 2014. The payments come from a number of sources that include:

- A dedication of 3% of the 6% property tax increase taken in 1998 – or \$96,253 per year.
- A dedication of 3% of the 4% property tax increase taken in 1999 – or \$105,513 per year.
- A dedication of approximately \$174,000 of the 1st ¼ of 1% real estate tax.

In 2005, the City Public Works Department performed an evaluation of the existing program with the goals of evaluating pavement performance, determining future pavement overlay cycles, evaluating alternative maintenance practices, and arriving at an updated cost for the most efficient pavement preservation program. The results of this study recommended life cycles based on the use and type of street. The program also recommended crack sealing and intersection repairs as maintenance tools that extend the life cycle of overlays. Future overlays result in much higher costs due to the need from grinding existing asphalt; therefore, extending overlay life cycles have a significant impact on future costs.

The 2005 overlay evaluation mapped out costs versus time in order to project the annualized cost to the City. The study recommended funding \$1,500,000 per year with a portion of the fund going into reserves. The actual project cost need for 2009 is approximately \$350,000 which is appropriated in this budget. The 2009 revenue estimate includes \$360,000 from the 2nd ¼% real estate excise tax and \$27,300 of interest income. The LTGO bonds that were issued in 1998 will be fully repaid in 2014, and it is likely the City will again issue bonds to keep up with the overlay program. A projection of Street Fund financial activity over the period 2007-2015 is presented within the Capital Facilities Plan portion of this budget document in Part 5.

5. TRANSPORTATION BENEFIT DISTRICT

The City of Wenatchee, like many other communities is experiencing tremendous traffic congestion in a number of areas, the solution for which involves a variety of scenarios depending upon the location. In common to all of the projects however is the fact that the cost to ease the congestion is beyond the City's ability to finance them with existing sources of income. A possible answer to the dilemma of coming up with additional money to address congestion may come in the form of a transportation benefit district.

The Washington State Legislature created the Transportation Benefit District (TBD) in 1987 as an option for local governments to fund transportation improvements and since 2005, the Legislature has amended the TBD statute to expand its uses and revenue authority including the imposition of vehicle fees and transportation impact fees without a public vote. A TBD is a quasi-municipal corporation and independent taxing district created for the sole purpose of acquiring, constructing, improving, providing, and funding transportation improvements within the district. A TBD may be created by a county or city and may include other counties, cities, port districts or transit districts through interlocal agreements.

At this point the City of Wenatchee is mulling the possibility of forming a TBD and in fact conducted two public workshops on this topic on February 7, 2008 and April 3, 2008 and a public hearing on March 13, 2008. On February 12, 2009 the City Council adopted Resolution #2009-13 that set a schedule for additional public workshops on this topic in the spring of 2010, followed by a level of service analysis and public hearing, and ultimately City Council action in August 2010. If a TBD were to be formed it could chose to ask the voters to approve a variety of fees including up to a \$100 annual vehicle fee per vehicle registered, or it could impose without a vote an annual vehicle fee of \$20 per vehicle registered. If the City of Wenatchee were to form a TBD, the \$20 per vehicle fee is estimated to generate \$635,700.

6. 1/10TH OF 1% CRIMINAL JUSTICE SALES TAX

RCW 82.14.340 allows the addition of a 1/10th of 1% sales tax whose proceeds are to be used exclusively for criminal justice purposes. Proceeds of the tax are to be allocated 10% to the county in which the tax is collected, with the remainder to be distributed to the county and cities within the county ratably based on population. Money received from the tax must be expended exclusively for criminal justice purposes and may not be used to supplant existing funding. Existing funding is defined in the statute as calendar year 1989 actual operating expenditures for criminal justice purposes.

In 1995, Chelan County and the Cities within the County each adopted resolutions (City of Wenatchee Resolution #2035 dated 7/25/1995) authorizing the imposition of this tax with the intent that the proceeds be dedicated to repay LTGO bonds issued by Chelan County for the design and construction of a juvenile detention center. The bonds were issued in 1997 and ultimately retired in their entirety in the latter part of 2007. On December 11, 2007 the Chelan County Commission then approved Resolution #2007-167 which authorized the reimposition of the 1/10th of 1% sales tax to finance criminal justice expenditures for the County and all of the Cities within the County.

During the spring of 2008 the Wenatchee City Council held hearings on how the proceeds should be expended keeping in mind that RCW 82.14.340 is very clear in that it requires the proceeds be expended exclusively for criminal justice purposes and may not be used to supplant *existing* funding defined in the statute as calendar year 1989 actual operating expenditures. Given that 2008 expenditures directly attributable to criminal justice activities were anticipated to be \$8,968,410 (including police department operations, Rivercom, the jail, public defender, district court, etc.) and that 1989 expenditures were \$2,591,959, it was clear that the growth of \$6,376,451 significantly exceeded the annual \$600,000 anticipated to be generated by the tax. Based upon this the City found itself in a position where it could chose to retroactively apply the entire proceeds against the \$6.37 million increase incurred since 1989 (essentially liberating the money for other uses), spending all of the money on new or expanded criminal justice programs, or some combination of each. Ultimately, the City Council amended the 2008 Budget to add \$586,750 of General Fund expenditures that were directed toward public safety enhancements including the hiring of two additional police officers and the addition of various pieces of equipment including vehicles and technology related purchases.

7. TAXATION ISSUES

It is likely it will always be difficult to balance the City's General Fund budget whose primary source of funding is from various local tax sources. Following is an analysis of the impact tax revenues will have on 2009 General Fund programs:

Property tax	\$ 3,962,700	18.28%
Sales tax	7,794,000	35.96%
1/10th of 1% sales tax	600,000	2.77%
Utility taxes	5,228,100	24.12%
Other taxes	44,000	0.20%
Total taxes	<u>\$ 17,628,800</u>	<u>81.33%</u>
Other revenue	4,045,950	18.67%
Total recurring revenues	<u>\$ 21,674,750</u>	<u>100.00%</u>

Because there are so many demands of government services and a finite source of funding, the City Council will be constantly evaluating the merits of the many worthwhile programs the City might undertake. Consequently, the utilization of tax moneys for public services involves a good deal of scrutiny from both the City Council and Citizens of Wenatchee.

Tax increases that have been put in place in recent years to finance General fund operations have been limited to property taxes. Following is an analysis of property tax increases over the past nine years as compared to the implicit price deflator discussed earlier in this budget message. Also included is the purpose behind each increase.

Year	Increase Taken	IPD	Purpose of Increase
1999	1.00%	0.85%	to finance ongoing operations
2000	2.00%	1.42%	to finance ongoing operations
2001	1.71%	2.66%	to finance ongoing operations
2002	1.00%	1.89%	to finance ongoing operations
2003	1.00%	1.16%	to finance ongoing operations
2004	1.00%	1.84%	to finance ongoing operations
2005	1.00%	2.39%	to finance ongoing operations
2006	1.00%	2.54%	to finance ongoing operations
2007	1.00%	3.42%	to finance ongoing operations
2008	1.00%	2.08%	to finance ongoing operations
2009	1.00%	4.53%	to finance ongoing operations

Tax increases that have been put in place during the 13-year period 1996-2008 to finance non-General Fund operations have been limited to:

- In 2006 the City Council adopted Ordinance #2006-29 which established a Tourism Promotion Area and imposed a \$1 per hotel room per night tax, the proceeds of which will be used for the sole purpose of tourism promotion. The Council approved this legislation only after being petitioned by the Wenatchee Hotel-Motel Association and the Wenatchee valley Convention and Visitors Bureau to do so.
- In 1999 the City Commission implemented a 5% cable TV tax whose proceeds were dedicated to the City's street overlay program. In response to a series of revenue reducing initiatives (discussed earlier in this message) and a desire to maintain existing core services, the City Council opted to divert the entire cable TV tax to the General Fund beginning in 2003.
- In 1999 the City Commission implemented a ¼% real estate excise tax whose proceeds were dedicated to the City's street overlay program.
- For 1999 property tax collections, in addition to the 1% property tax increase necessary to finance ongoing General Fund operations, an additional 3% property tax increase was imposed to in-part finance the City's street overlay program previously discussed in this message.

- For 1998 property tax collections, in addition to the 3% property tax increase necessary to finance ongoing General Fund operations, an additional 3% property tax increase was imposed to in part finance the City's street overlay program previously discussed in this message.
- In 1997 the Commission imposed an additional two-percent (2%) hotel/motel tax (bringing the total to 6%) in order to generate additional moneys for tourism promotion for the Wenatchee Valley. The local hotel/motel industry initiated and supported the increase of this new tax for the aforementioned uses.
- In 1996 the Commission imposed an additional two-percent hotel/motel tax (bringing the total to 4%) in order to generate additional moneys for expansion of the City Convention Center. The local hotel/motel industry supported the increase of this tax for the aforementioned use.

8. COSTS RELATED TO HEALTH CARE, LONG-TERM CARE AND RETIREMENT BENEFITS FOR LAW ENFORCEMENT OFFICERS AND FIREFIGHTERS (LEOFF) HIRED PRIOR TO OCTOBER 1977

RCWs 41.16 and 41.18 require cities, counties and fire districts in the State of Washington to pay the costs of health care and long-term care (LTC) for police officers and firefighters hired prior to October 1, 1977. Further, they require cities and fire districts to share in a portion of the retirement benefits paid out to certain firefighters. At the time the Washington State Legislature added these features to the benefit package of eligible employees, they failed to follow through with a source of funding with which cities, counties or fire districts could cover these added costs. As a result of this unfunded mandate, the City of Wenatchee is required to set aside money each year to cover the cost of these benefits.

The Governmental Accounting Standards Board (GASB) who is the rule setting body for accounting and financial reporting for all governmental agencies in the United States has issued Statements 25, 27, 43 and 45, which collectively require periodic actuarial valuations of pension obligations and postemployment benefits other than pensions. The final product of an actuarial study is a report that among other things provides an independent computation of the net present value of each of these obligations.

Because the City of Wenatchee pays pension benefits to 27 recipients through our Firemen's Pension Fund and pays medical and long-term care benefits to 41 retired LEOFF 1 employees (LEOFF 1 = law enforcement officers and firefighters who were employed prior to October 1, 1977) we are subject to the provisions of GASB Statements #25, 27, 43 and 45. In order to be in compliance with each of these GASB statements the City engaged Milliman, Inc. in the summer of 2008 to conduct an actuarial valuation of our Firemen's Pension Fund, LEOFF 1 Long-Term Care Fund and LEOFF 1 Medical Fund.

The actuarial study produced the following findings:

- LEOFF 1 Long Term Care Fund (see a more in-depth discussion beginning on page 8-19 of this document) – The net present value of the LTC obligation as of January 1, 2008 was computed at \$2,420,000. As of the same date our LEOFF 1 LTC Fund actually had net assets of \$485,711 leaving this obligation underfunded by \$1,934,289.
- LEOFF 1 Medical Fund (see a more in-depth discussion beginning on page 8-30 of this document) – The net present value of the Medical obligation as of January 1, 2008 was computed at \$9,726,000. As of the same date our LEOFF 1 Medical Fund actually had net assets of \$372,848 leaving this obligation underfunded by \$9,353,152.
- Firemen's Pension Fund (see a more in-depth discussion beginning on page 13-2 of this document) – The net present value of the pension obligation as of January 1, 2008 was computed at \$1,854,000. Because actual net assets on hand on the same date were \$3,460,370 we were overfunded by \$1,606,370.

The City has adopted a plan to address the actuarial study results noted in each fund above.

A summary of contributions over the 9-year period 2000 through 2008 follows:

	Medical	LTC	Firemen's Pension	Total
2008	580,000	135,000	0	715,000
2007	580,000	120,000	452,600	1,152,600
2006	542,499	0	427,000	969,499
2005	589,975	310,951	402,000	1,302,926
2004	352,022	99,996	380,000	832,018
2003	272,140	99,996	358,000	730,136
2002	139,816	96,000	338,000	573,816
2001	459,849	96,000	319,000	874,849
2000	182,262	250,000	300,000	732,262
	<u>3,698,563</u>	<u>1,207,943</u>	<u>2,976,600</u>	<u>7,883,106</u>

9. INTERLOCAL AGREEMENT BETWEEN THE CITY OF WENATCHEE, CHELAN COUNTY AND PUD #1 OF CHELAN COUNTY

- Interlocal Agreement with the Chelan County PUD (effective 9/1/2004)
Under this agreement, the PUD transferred to the City a sewer collection system located to the north of the City limits referred to as the Olds Station and Sunnyslope area. At the point of the transfer the City began providing sewer service to 84 existing commercial/industrial customers, and this customer base is expected to increase in subsequent years. Benefits of this agreement to the City include additional collection and treatment revenue to the Water/Sewer Fund and additional utility tax revenue to the General Fund. Revenues received by the City over the years 2004 through 2008 as well as the 2009 Budget are as follow:

Year	Water/Sewer Fund Utility Revenue	General Fund Utility Tax Revenue
2005	387,111	58,067
2006	431,706	64,756
2007	366,720	55,008
2008	404,935	60,740
2009	415,900	62,385

- Interlocal Agreement with Chelan County (effective 1/1/2005)
Under this agreement, the City agreed to provide sewer service to the Olds Station and Sunnyslope area without the condition of annexation into the City, while at the same time the County agreed to process an application by the City to amend the comprehensive plan to include the Olds Station and Sunnyslope areas as part of the Wenatchee Urban Growth Area. The agreement recognized that the extension of the City's sanitary sewer system into this area will likely benefit the County with respect to increased revenue from property and sales taxes. In order to establish favorable consideration in return for sewer extension and the resultant increase in County revenue, the City and County agreed to the following revenue sharing arrangements:

- The County will pay the City a total of \$264,000 over the 10-year period 2006-2015, as a reimbursement of regional capital infrastructure. Payments began at \$48,000 in 2006 and will decline by \$4,800 each year until the final 2015 payment.

Year	Annual Amount
2006	48,000
2007	43,200
2008	38,400
2009	33,600
2010	28,800
2011	24,000
2012	19,200
2013	14,400
2014	9,600
2015	4,800
	<u>264,000</u>

- Beginning in 2006, the County will pay the City 15% of the growth in sales tax collections within the Olds Station and Sunnyslope area, using 2004 as a base year in making the computation. There is no sunset to this provision. To date no payments have been received as a part of this agreement due to the closing of a major retailer in this particular geographic area that resulted in an actual decrease in sales taxes collected.
- Beginning in 2006, the County will also pay the City 15% of the growth in property tax collections within the Olds Station and Sunnyslope area, using 2004 as a base year in making the computation.

10. CEMETERY OPERATIONS

The Cemetery Fund has experienced consecutive years where operating expenses have exceeded the combination of operating revenues and interest earnings from the Cemetery Endowment Fund. The cumulative losses over the years had placed the Cemetery Fund in the precarious financial position where soon it would have consumed all reserves and been in a position where it was unable to continue with operations. In order to circumvent this event the City Council has opted to transfer General Fund reserves to the Cemetery Fund in order to:

- Cover anticipated operating deficits, and
- Finance a number of capital improvements including the construction of a niche wall, development of a scattering garden and a cemetery expansion. It is hoped that these will help the Cemetery Fund to generate additional revenue and thus alleviate the General Fund of the need to subsidize future operations.

General Fund subsidies by year and amount are as follows:

2004	\$ 46,800
2005	\$ 86,600
2006	\$ 35,400
2007	\$100,791
2008	\$ 52,204
2009	\$ 60,000

Through 2006 the Cemetery Fund was also the recipient of interest earnings from the Cemetery Endowment Fund (see page 13-1 of this budget document for related discussion) and these proceeds were used to offset operational costs. Beginning in 2007 however the Endowment Fund will retain all interest earnings in order to build a stronger reserve for future needs.

11. 2009 BUDGET DEVELOPMENT DIFFICULTIES

The downturn in the national economy that began in the latter part of 2007 and continues today has impacted Wenatchee as well but to a much lesser extent. Our revenue estimates throughout all City funds are as realistic as possible because we recognize that overly optimistic estimates create a false sense of security while underestimates create an artificial crisis. Through this budget we have managed to maintain historic levels of service in all operations without layoffs of any employees. We were able to accomplish this by:

- Denying most departmental requests to expand 2009 service levels.
- Asking all General Fund departments to reduce the non-payroll portion of their 2009 budgets by an additional 1%.
- Extending the lives of most City vehicles by one-year and giving each fund a “replacement payment holiday” in 2009 (meaning no replacement rates would be charged in 2009 and that there would be no “catch-up” in subsequent years). This was done once before by the City in the mid-1990s.

PRESENTING A BALANCED 2009 BUDGET

The following table is lifted from City Ordinance Number 2008-37, which adopted the 2009 City budget and depicts a total of 34 funds for which budget authority was granted. This represents all funds of the City with the exception of those with a continuing appropriation that either reflects the accumulation of moneys for the payment of related debt (LID debt service), or where the budget is related to a capital construction project that extends into another calendar year.

Annual Appropriation Funds	Fund No.	Estimated Beginning Fund Balance	Revenue	Total Sources	Appropriations	Estimated Ending Fund Balance
General	001	3,412,679	22,155,150	25,567,829	22,048,628	3,519,201
Public Art	101	42,647	22,700	65,347	45,236	20,111
Paths and Trails	103	11,392	4,100	15,492	0	15,492
Tourism Promotion Area	104	0	179,900	179,900	179,900	0
Hotel/Motel - Capital	105	0	218,200	218,200	218,200	0
Convention Center	106	494,235	875,801	1,370,036	794,856	575,180
Hotel/Motel - Tourism	107	28,146	389,400	417,546	388,400	29,146
Streets	108	537,460	2,014,927	2,552,387	2,109,527	442,860
Arterial Street	109	879,673	9,727,575	10,607,248	9,887,427	719,821
Long-Term Care - LEOFF 1	110	513,711	164,200	677,911	149,000	528,911
Street Overlay	111	677,039	387,300	1,064,339	350,000	714,339
Ice Arena	112	0	0	0	0	0
Housing Rehabilitation	113	64,320	54,700	119,020	73,500	45,520
Community Center Operations	114	191,976	128,500	320,476	160,726	159,750
CDBG Entitlement	115	50,097	76,891	126,988	76,891	50,097
Health Insurance - LEOFF 1	116	385,348	591,500	976,848	580,000	396,848
Homeless Housing	117	156,984	314,700	471,684	372,168	99,516
Debt Service - UTGO Bonds	201	(14,493)	368,253	353,760	365,653	(11,893)
Debt Service - Councilmanic Bond	205	19,446	1,024,812	1,044,258	1,016,412	27,846
R.E. Capital Projects	301	129,773	375,100	504,873	506,379	(1,506)
Orondo Boat Moorage	309	0	593,407	593,407	593,407	0
Foothills Trail	310	0	122,869	122,869	122,869	0
City Hall-HVAC/Chamber Upgrade	311	61,021	0	61,021	60,000	1,021
Cemetery Endowment	610	772,946	28,000	800,946	0	800,946
Firemen's Pension	611	3,491,870	108,800	3,600,670	510,200	3,090,470
Total Annual Appropriation Funds			39,926,785		40,609,379	

Working Capital Funds	Fund No.	Estimated Beginning Working Capital	Revenue	Total Sources	Appropriations	Estimated Ending Working Capital
Water/Sewer	401	8,419,702	8,493,000	16,912,702	12,049,089	4,863,613
Storm Drain	410	522,190	1,027,300	1,549,490	1,383,415	166,075
Regional Water	415	2,135,563	1,428,500	3,564,063	2,353,258	1,210,805
Solid Waste	420	175,869	1,853,200	2,029,069	1,831,870	197,199
Cemetery	430	110,224	252,400	362,624	317,964	44,660
City Services - Equip. O&M	501	303,278	898,424	1,201,702	912,791	288,911
City Services - Equip. Replace.	503	870,146	271,330	1,141,476	424,965	716,511
City Services - Facilities	504	40,235	343,181	383,416	333,718	49,698
Self - Insurance	502	1,484,458	1,133,200	2,617,658	714,700	1,902,958
Information Systems	505	125,528	897,600	1,023,128	917,281	105,847
Total Working Capital Funds			16,598,135		21,239,051	
Total of all Funds			56,524,920		61,848,430	

SUMMARY ANALYSIS OF THE GENERAL FUND

Within the Financial Section of this document are detailed operational descriptions of each General Fund department (Part 7) and for each fund thereafter (Parts 8-13). Listed below is an overview of the General Fund.

The General Fund accounts for all receipt and disbursement transactions of ordinary City operations that are not required to be accounted for in another fund. Primary sources of revenue are property taxes, sales tax and utility taxes. Expenditures of this fund consist of a number of City functions including fire and police protection, museum, planning, engineering, parks, legislative and administrative services. This fund is always the most difficult to bring into balance because of the variety of services it supports with limited tax resources.

The General Fund budget is presented in terms of recurring and nonrecurring revenues and expenditures. The recurring classification includes those activities that we expect will continue from year to year while the nonrecurring classification includes those activities that are one-time in nature. As we develop the General Fund budget, we do so with two primary goals:

- First, present a budget with recurring revenues equal to or exceeding recurring expenditures.
- Second, maintain a year-end reserve balance that is equivalent to at least 14% of recurring appropriations. The rationale behind this goal is a direct result of our cash flow experience in previous years and the recognition that in the months of April and October we are financing operations from reserves as we await semi-annual property tax receipts.

The 2008 Budget estimates recurring revenues of \$21,674,750 which exceeds recurring expenditures of \$20,671,328 by \$3,422 (see page 4-3). Estimated non-recurring revenues of \$480,400 exceed nonrecurring expenditures of \$377,300 by \$103,100 (see page 4-4). With both recurring and non-recurring revenues and expenditures considered we anticipate that the reserve balance will be increased by a total of \$106,522 during calendar year 2009. This will leave a calendar year-end reserve balance of \$3,519,201, which reflects a reserve of 16.24% (= total 2009 estimated ending fund balance of \$3,519,201 divided by total 2009 recurring appropriations of \$21,671,328). This reserve will allow the City to maintain the second goal mentioned previously, that is, to maintain a reserve that is at least 14% of recurring expenditures.

CONCLUSION

Although the City of Wenatchee's financial condition has been solid through past years we recognize there are a number of issues that must be dealt with in order to remain on firm financial footing. Given the fact that financial health is at the core of providing good public services we believe our greatest challenges revolve around the ongoing expansion of our economic base.

In summary, the most important budgetary objective is to provide the highest possible level of service to our citizens while the City maintains its sound financial condition. The 2009 Budget development process was again a meaningful way to involve the Council, City Staff and Citizens in making recommendations regarding policy matters. City programs will continually be reexamined and reassessed to make sure we are best utilizing available resources. This budget continues that commitment.

ACKNOWLEDGMENTS

We would like to express our thanks to the Directors, Division Managers and Staff for their effort in developing budgetary programs that reflects the needs of their departments and meet the expectations of the City Council and citizens of Wenatchee. Through this process, we believe the individuals involved have developed a more meaningful appreciation of how their department fits into the overall City operation.

We would also like to thank the City Council for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

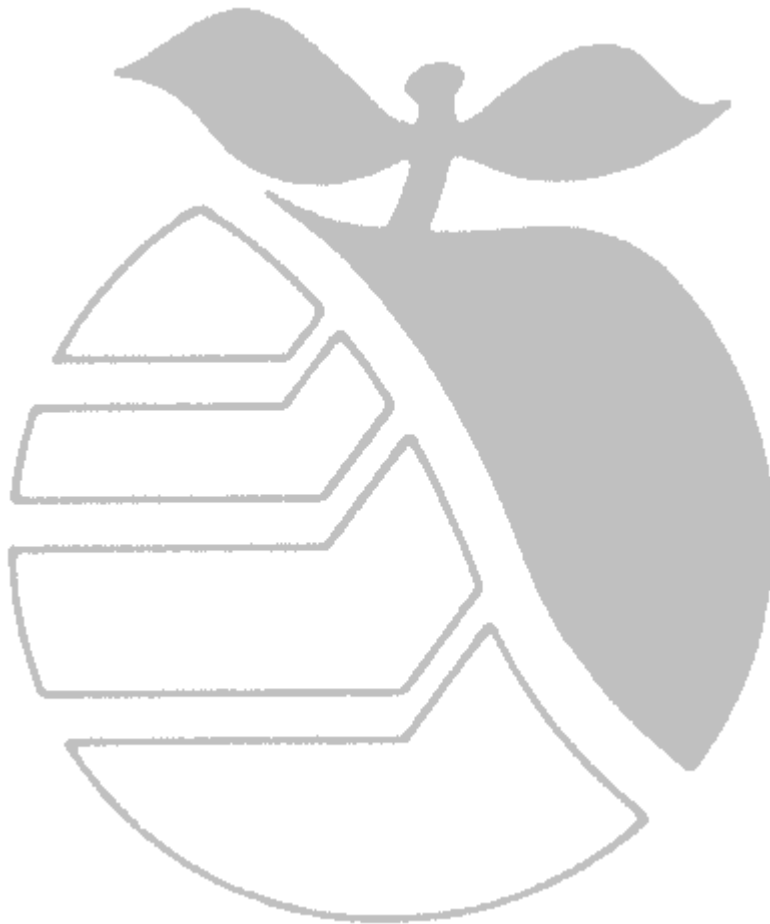
Respectfully submitted,

Dennis Johnson
Mayor

Mark S. Calhoun
Finance Director

This page left intentionally blank.

Part 2. User Guide



HOW TO READ AND UNDERSTAND THE CITY BUDGET

This operating budget and capital facilities program is the City of Wenatchee's comprehensive financial and operational plan for 2009. Because of the amount of information contained herein it can be an imposing document. The reader should keep in mind that the primary intent of this document is to answer two basic questions: "Where is the City's money coming from?" and "How will that money be used?"

There are many ways to present the information that answers these questions but this budget focuses on the City's fund structure. All of the information presented is organized by the fund that is responsible for providing a service or activity. For example, money that the City collects from its customers for their water consumption is spent on providing water service through the Water/Sewer Fund.

The 2009 Budget is divided into sections by fund and includes information on each of the City's funds so that the reader can better understand how the fund works, its financial condition, the services that are financed by that fund and the departments that deliver those services.

THE CITY'S FUND STRUCTURE

The City of Wenatchee uses fund accounting practices in its budgeting and accounting procedures that conform to standards established by the Governmental Accounting Standards Board (GASB). Fund accounting is based on the concept that certain types of revenue should be used only for certain types of expenses.

The City utilizes fund accounting by establishing numerous separate funds in its accounting system. One way to describe the City's fund structure is that each fund is like its own business with its own set of accounting records detailing its financial condition. Thus, it is possible for some City funds to be financially healthy while others may struggle with operating deficits. A major difference between the City and a private company is that while the company can move money from a healthy enterprise to one that is not doing well, the City is generally prohibited from doing so. For example, revenue collected from payment of water bills may only be used to pay for costs associated with the provision of water service and cannot be used to subsidize unrelated City operations such as hiring police officers or purchasing fire trucks.

Fund accounting provides for three different types of funds. A brief description of these fund types and the City's use of them are as follows:

A. GOVERNMENTAL FUNDS (4 Types)

1) The General Fund accounts for all receipt and disbursement transactions of ordinary City operations that are not required to be accounted for in another fund. Primary sources of revenue are property taxes, sales taxes and utility taxes. Expenditures of this fund consist of fire and police protection, parks and recreation, museum, community development, engineering, human resources, finance and mayor/council.

2) Special Revenue Funds are established to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

3) Debt Service Funds account for the accumulation of resources for and the payment of general obligation and special assessment bonds. The amount of bonds outstanding is recognized in the General Long-Term Debt Account Group.

4) Capital Projects Funds account for the acquisition and construction of capital facilities (except for those financed by proprietary funds). Primarily general obligation bonds, special assessments, federal and state grants and contributions from other funds finance these funds.

B. PROPRIETARY FUNDS (2 Types)

1) Enterprise Funds are established for government activities that are financed and operated in a manner similar to private business. Costs of providing services to the general public are financed through user fees.

2) Internal Service Funds are used to account for the financing of goods and services provided by one department or agency to another department or agency of the City.

C. FIDUCIARY FUNDS (3 Types)

These funds are used to account for assets held by a government in a trustee capacity or as an agent for individuals, private organizations, other government and/or other funds.

These funds are classified as:

1) Agency Funds are custodial in nature (assets equal liabilities) and do not measure the results of operations.

2) Non-Expendable Trust Funds and Pension Trust Funds are accounted for in essentially the same manner as Proprietary Funds.

3) Expendable Trust Funds are accounted for in essentially the same manner as Governmental Funds.

ABOUT THE BUDGET AND THE BUDGET PROCESS**I. WHAT IS A BUDGET?**

The budget is a multi-faceted event for City government in Wenatchee. In addition to providing the obvious financial planning and legal authority to obligate public funds, the budget provides significant policy direction by the City Council to the staff and the community. As a result, the City Council, staff and public are all involved in the process of budget development. The budget provides four functions:

A. A Policy Document

The budget functions as a policy document in that the decisions made within the budget will “reflect the general principles or plans that guide the actions taken for the future”.

The specific programs that are described within the budget will be reflective of the plans for the future of the City government as they are approved and put into place.

Recognizing this, the budget for the City will work to be a good policy document and make specific attempts to link desired goals and policy direction to the actual day-to-day activities of City staff.

B. An Operational Tool

The budget of the City will reflect its operations. More than a numbers document, you will find that the activities of each City function and organization have been planned, debated and formalized within the following sections. This process will help to maintain an understanding of the various operations of the City and how they relate to each other and to the attainment of the policy issues and the goals of the City Council. In this effort, the budget addresses areas, which may not be traditional budget document topics. These include: debt management, staffing levels for now and the future, long-range planning, capital spending plans, the tax base and its relationship to the provision of services. A statistical section is added to provide the additional information sometimes needed to understand the environment of budget deliberations.

C. A Link with the General Public

Many times the day-to-day activities of local governments are overlooked until a crisis or critical point is reached. To attempt to gather information from all the various levels of government and their operations would be exhaustive and not very productive. This is true even of the media who spend many hours familiarizing themselves with the differing aspects of local government. Recognizing this, the budget provides a unique opportunity to allow and encourage public review of City operations. The budget must fully and clearly describe the activities of the City, the reason or cause for those activities, the future implications and the direct relationship to the citizenry. In our budget we have included an introductory section for each department within the general fund and for each fund thereafter.

D. A Legally Required Financial Planning Tool

The budget is also, of course, a financial planning tool, which has been its most traditional use. In this light, the budget is a state law requirement of all cities as stated in RCW 35A. As a part of the requirement, the budget must be adopted as a balanced budget (although prior years cash carry-forward can be used in this balancing process) and must be in place prior to the expenditure of any City funds. In this light, the budget is the legal authority to expend public moneys and controls those expenditures by limiting the amount of the appropriation at the fund level. The revenues of the City are estimated along with available cash carried-forward to the indicated funds available while the staff requests for appropriations comprise the disbursement side of the preliminary budget.

E. How does the Budget Compare to the Annual Financial Report?

As previously stated, the budget is an extended and in-depth operational and financial planning process that looks to the future and ultimately leads to the document you are now reading. The annual report is a document that summarizes the financial aspects of the operational activities of the previous year. It is prepared following a strict set of guidelines called generally accepted accounting principles (GAAP) which are established by the Governmental Accounting Standards Board (GASB). Each year the annual report is subjected to review by independent auditors who express an opinion as to the fair presentation of the financial statements included within that document. Throughout the annual report actual revenues and expenditures are compared to budget. The annual report uses the modified accrual basis of accounting for governmental funds and full accrual accounting for proprietary fund types. The budget uses the modified accrual basis of accounting for all funds. This causes the proprietary fund budgets to budget for debt issue, debt service and capital expenditures, which are non-income statement items for the annual report.

II. WHY IS A BUDGET PREPARED?

As previously mentioned, the budget is a requirement of state law. But more than that, the budget for the City of Wenatchee is an important planning process that shapes the future for departmental operations and direction. As a result, much effort is expended to ensure the budget planning process best utilizes available City resources towards the goals and policies established by the Mayor and City Council.

III. HOW IS THE BUDGET PREPARED - WHAT IS THE BUDGET PROCESS?**A. Determining Policies and Goals**

At the beginning of each budget cycle a calendar is developed which sets timelines for the various components of the budget preparation process. The 2008 Budget Calendar is presented at the end of this section.

The budget process for the City of Wenatchee is in many respects an ongoing, year-round activity. The formal budget planning begins each summer with discussions between the Mayor, City Council, and Department Directors as to the current status of

on-going programs, new challenges and future considerations. Through these discussions the concerns of the departments are blended with the desired direction for City government on behalf of the City Council. The result is the determination of budget goals and policies for the coming budget year.

B. Staff Planning and Preparation

Once the Mayor and City Council have provided the general direction and desired service levels for departmental budgets, the staff can begin to prepare the detailed plans for maintaining the current services where appropriate, deleting outdated services when necessary and planning for the addition of new services to meet the current needs. This involves the Finance Department preparing a guide as to how to prepare the budget from the mechanical side (which forms to use, what rates for inflationary costs, etc.). A meeting of department directors and division managers is then held within each department to review the specific guidelines and to discuss and gain understanding as to the City Council policies and goals. At this point, City staff formulates the individual budget for which they are responsible. These budgets are reviewed and refined by the departmental directors and submitted to the Finance Department for consolidation into one document for review by both the elected body and general public.

C. City Council and General Public Review

During the fall of the year the Mayor and Finance Director present the budget to the City Council on at least three separate occasions. Each presentation takes place in a public meeting and Citizens are given the opportunity to comment on the process and the budget itself.

The first budget presentation takes place in early October where a *preliminary unbalanced budget* is presented which reflects revenue estimates for all operations in all funds and all appropriations (expenditure requests) from each City department which includes existing operations, potential expansions of service levels, new programs, new personnel and capital requests. At this point in time the appropriation requests normally far exceed estimated revenues, but the Council has the opportunity to again deliberate priorities of City programs and the related levels of service that they collectively desire. After this meeting the Mayor and Finance Director, with the assistance of department directors, will meet throughout the month of October to examine appropriation requests and determine which will be granted and those that will be either reduced or eliminated altogether.

The second budget presentation takes place in early November where a *preliminary balanced budget* is presented which reflects a budget for all funds where estimated revenues (including estimated beginning fund balances) are expected to equal or exceed appropriations. At this time the Council and citizens again have an opportunity to evaluate whether the budget as presented meets the desired levels of service. Based upon the results of this meeting the Mayor and Finance Director will again reconvene through the month of November to further refine the budget.

The third budget presentation takes place in late November or early December where a *balanced budget* and budget ordinance are presented, and the Council and Citizens are again provided with an opportunity to comment. Provided the budget receives Council endorsement, they will vote to approve the budget ordinance. The Council can however, at its' option, request that the Mayor and City staff continue to work on the budget. The City must have a Council approved budget in place prior to January 1.

D. Adoption of the Budget

It is required that a notice of public hearing on the budget be published once a week beginning two weeks prior to the council meeting and for the 2009 Budget this occurred

on November 27 and December 4, 2008. A public hearing was then held December 11, 2008 when the budget was adopted.

E. How can the Budget be Changed After Adoption?

From beginning to end, the budget development process covers a period of approximately five-months (July through November), and is prepared with the best information we have available at that time. As we proceed through the budget year in question, we sometimes encounter unforeseen circumstances that result in either a service costing more than we had anticipated, or an expansion of services beyond what we had initially planned for. When possible, we will attempt to accommodate these changes within the existing budget, but this is not always possible. The budget can be changed (amended) by an ordinance of the City Council. This process begins with department directors submitting detailed budget amendment requests to the Mayor and/or Council where they may be approved in concept but through no formal legislative action. This allows departments to proceed with their plans prior to the formal Council adoption of an ordinance. Periodically the Finance Department summarizes into ordinance format both the budget amendment motions previously granted as well as those that represent new requests. At that point the Mayor and Council will take action to approve the amendment either in whole or in part.

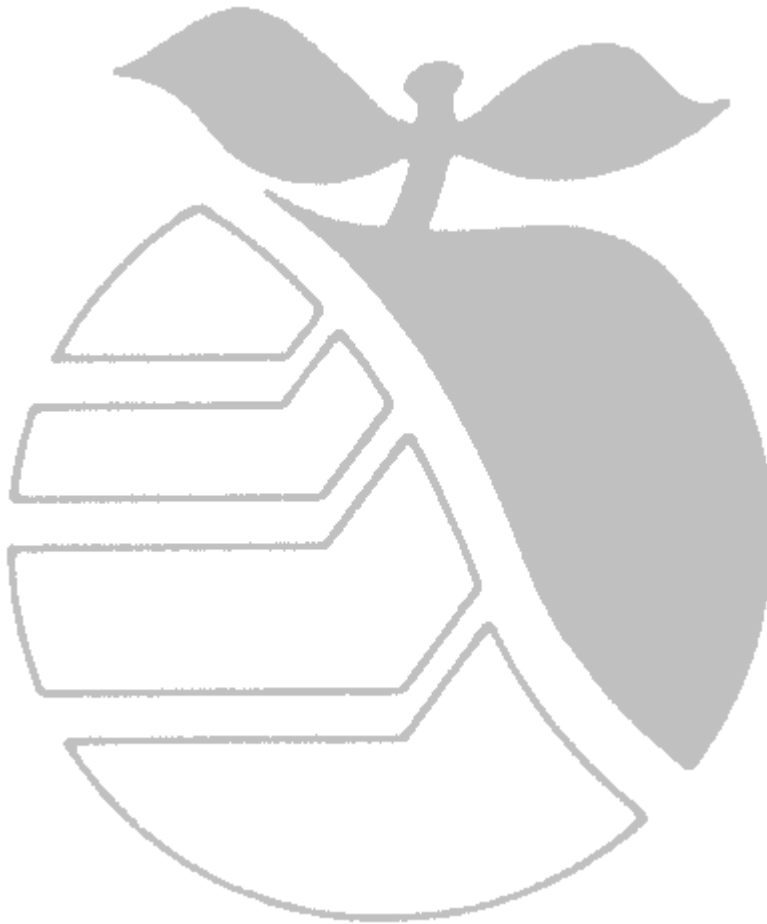
F. Budget Calendar

At the beginning of each budget cycle a calendar is developed which sets timelines for the various components of the budget preparation process. The 2009 Budget Calendar is presented on the following page.

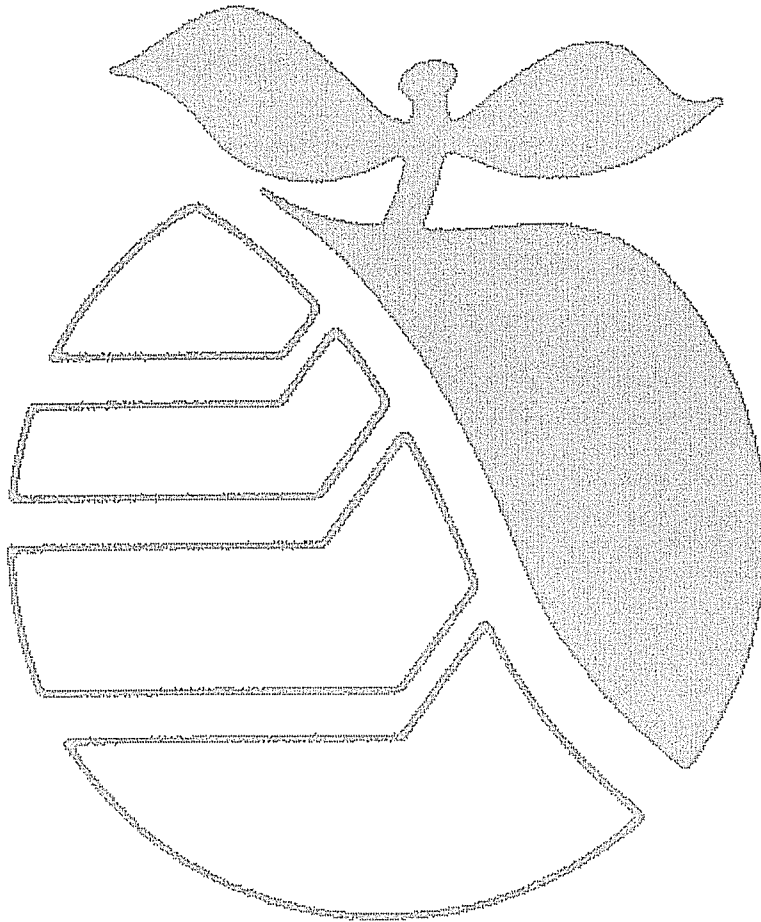
CITY OF WENATCHEE, WA 2009 BUDGET CALENDAR

When	What	Who
6/13/2008	Budget planning information and forms distributed to City Staff.	Finance
July-Sept.	Finance compiles data for inclusion in budget	Finance
July-Sept.	Mayor and Finance meet with Directors to discuss programs and priorities	Mayor/Finance/ Directors
8/1/2008	HR provides Finance with results of reclassification of AFSCME wages (section 15.8(d) of AFSCME labor contract)	HR
8/4/2008	Capital and Personnel request forms returned to Finance.	Departments
8/4/2008	Expense line item changes returned to Finance.	Departments
8/4/2008	Departmental revenue estimates returned to Finance.	Departments
8/25/2008	2008 Budget amendment requests due to Finance.	Departments
9/30/2008	Review Preliminary 2009 Budget with Mayor Johnson	Mayor/Finance
10/3/2008	Preliminary 2009 Budget distributed to Council	Finance
10/9/2008	<u>Council Meeting</u> --Review of Preliminary 2009 Budget (<i>copies available to public</i>)	Mayor/Council/ Directors
10/10-11/14	Budget meetings to follow-up 10/9/2008 Council meeting and preparation of revised preliminary 2009 Budget.	Mayor/Finance/ Directors
10/30/2009	<u>Council Meeting</u> --Progress update on efforts to balance estimated revenues against requested expenditures (<i>copies available to public</i>)	Mayor/Council/ Directors
11/6/2008	Publish notice of 11/13/2008 hearing on ad valorem (property) taxes	Clerk
11/14/2008	Revised Preliminary 2009 Budget distributed to Council	Finance
11/20/2008	<u>Council Meeting</u> --Ordinance #2008-32 - Setting 2009 property tax levy --Resolution #2008-72 - Requesting Chelan County Assessor to collect sufficient funds to address 2009 debt service requirements on the 2001 UTGO (Police Station) bonds. (<i>Property tax legislation due at Assessor's by November 30</i>) --Review Revised Preliminary 2009 Budget (<i>copies available to public</i>)	Mayor/Council/ Directors
11/27/2008	Publish 1st notice of 12/11/2008 public hearing on 2009 Budget	Clerk
12/4/2008	Publish 2nd notice of 12/11/2008 public hearing on 2009 Budget	Clerk
12/5/2008	Final 2009 Budget distributed to Council (<i>copies available to public</i>)	Finance
12/11/2008	<u>Council Meeting:</u> -Ordinance #2008-36 - 2008 Budget amendment adoption -Public hearing on 2009 Budget -Ordinance #2008-37 - 2009 Budget adoption	Mayor/Council/ Directors
12/22/2008	2009 Budget narratives and changes in organizational charts due to Finance.	Directors, Managers & Staff

This page left intentionally blank.



Part 3. Governmental Revenues



REVENUE ESTIMATES FOR ALL GOVERNMENTAL FUNDS

This section provides information on the more significant sources of revenue the City of Wenatchee receives in its' governmental funds in a given year. Included herein is a discussion on property taxes, sales taxes and utility taxes, which collectively account for over 78% of General Fund recurring revenues, as well as a variety of other types of major revenue sources. The following table provides information on the types of tax and tax rates charged by the City of Wenatchee over the 5-year period 2005 through 2009:

Major Tax Sources	2005	2006	2007	2008	2009	Maximum Rate
Property Tax (levy / \$1,000)	3.06700	2.99107	2.67510	2.70205	2.73247	3.10000
Sales Tax	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%
1/10th of 1% Criminal Justice Sales Tax	n/a	n/a	n/a	0.10%	0.10%	0.10%
Electric Utility Tax	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
Water Utility Tax	15.00%	15.00%	15.00%	15.00%	15.00%	n/a
Sewer Utility Tax	15.00%	15.00%	15.00%	15.00%	15.00%	n/a
Garbage Utility Tax	15.00%	15.00%	15.00%	15.00%	15.00%	n/a
Storm Drain Utility Tax	15.00%	15.00%	15.00%	15.00%	15.00%	n/a
Telephone Utility Tax	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
Gas Tax	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
Cable TV Utility Tax	5.00%	5.00%	5.00%	5.00%	5.00%	n/a
Cable TV Franchise Fee	5.00%	5.00%	5.00%	5.00%	5.00%	6.00%
Real Estate Excise Tax	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%

Following is an analysis of those governmental revenues that are most significant to the City of Wenatchee. This presentation is not all-inclusive. These are sources of revenue over which the City of Wenatchee Council have limited control through either the imposition of taxes or fees. The bulk of these are revenues utilized in the operations of the General Fund.

PROPERTY TAXES

What: Property tax is a tax on real property for the full-assessed value. Revenue derived from this tax is devoted to the state, cities, counties, schools and libraries. Assessed value is determined by the Chelan County Assessor's Office, which makes a reevaluation of each property every four years. Some categories of property exempt from this tax are business inventories; intangibles, currency, bank deposits, stocks and bonds; household goods and personal items, and certain agriculture, timber mineral or metallic manufactured products.

How Much: The tax is limited to \$3.60 per thousand dollars of assessed valuation for cities. Additionally, in Wenatchee, the City is annexed to the library district thus making the maximum tax rate available to the City only \$3.10 since \$.50 per thousand goes to the library system.

Where the revenue is used: This tax is currently used to support the General Fund and Street Fund. The Council has total discretion as to the use of this tax source. In 2009, the General Fund is to receive 73.63% and the Streets Fund is to receive 26.37% of total allocations.

The following table provides a seven-year summary of information pertaining to property tax levies:

A	B	C	D	E	F	G	
Previous Year Revenue	Current Year Increase	Preliminary Current Year Revenue (=A+B)	New Construction and Annexations	Total Current Year Revenue (=C+D)	Assessed Value (by Chelan County Assessor)	Levy Rate per \$1,000 of Assessed Value (=(E/F)x1,000)	Police Station Construction Levy (per \$1,000)
2002 levy for 2003 taxes <i>(2003 City Budget)</i>							
\$4,174,815	1.00% \$41,748	\$4,216,563	\$86,628	\$4,303,191	\$1,437,602,975	\$2.99331	\$0.25746 generates a bond payment of \$363,358
- Assessed value increased by		\$77,688,360 or	5.71%				
- Total revenue increased by		\$128,376 or	3.08%				
- Rate per \$1,000 decreased		\$0.07660 or	2.50%				
2003 levy for 2004 taxes <i>(2004 City Budget)</i>							
\$4,303,191	1.00% \$43,032	\$4,346,223	\$73,522	\$4,417,194	\$1,458,556,964	\$3.02847	\$0.25470 generates a bond payment of \$364,278
- Assessed value increased by		\$20,953,989 or	1.46%				
- Total revenue increased by		\$114,803 or	2.65%				
- Rate per \$1,000 increased		\$0.03516 or	1.17%				
2004 levy for 2005 taxes <i>(2005 City Budget)</i>							
\$4,419,745	1.00% \$44,197	\$4,463,942	\$128,277	\$4,592,219	\$1,497,299,979	\$3.06700	\$0.24870 generates a bond payment of \$368,590
- Assessed value increased by		\$38,743,015 or	2.66%				
- Total revenue increased by		\$175,825 or	3.96%				
- Rate per \$1,000 increased		\$0.03853 or	1.27%				
2005 levy for 2006 taxes <i>(2006 City Budget)</i>							
\$4,592,219	1.00% \$45,922	\$4,638,141	\$115,492	\$4,753,633	\$1,589,277,760	\$2.99106	\$0.23410 generates a bond payment of \$367,115
- Assessed value increased by		\$91,977,781 or	6.14%				
- Total revenue increased by		\$161,414 or	3.51%				
- Rate per \$1,000 decreased		\$0.07594 or	-2.48%				
2006 levy for 2007 taxes <i>(2006 City Budget)</i>							
\$4,753,633	1.00% \$47,536	\$4,801,169	\$143,834	\$4,945,003	\$1,848,530,303	\$2.67510	\$0.20016 generates a bond payment of \$365,465
- Assessed value increased by		\$259,252,543 or	16.31%				
- Total revenue increased by		\$191,370 or	4.03%				
- Rate per \$1,000 decreased		\$0.31597 or	-10.56%				
2007 levy for 2008 taxes <i>(2008 City Budget)</i>							
\$4,945,003	1.00% \$49,452	\$4,994,455	\$125,206	\$5,119,661	\$1,894,796,901	\$2.70205	\$0.19453 generates a bond payment of \$363,153
- Assessed value increased by		\$46,266,598 or	2.50%				
- Total revenue increased by		\$174,833 or	3.54%				
- Rate per \$1,000 increased		\$0.02695 or	1.01%				
2008 levy for 2009 taxes <i>(2009 City Budget)</i>							
\$5,119,661	1.00% \$51,028	\$5,170,689	\$211,176	\$5,382,215	\$1,969,727,938	\$2.73247 <i>(estimated)</i>	\$0.18564 generates a bond payment of \$365,653
- Assessed value increased by		\$74,931,037 or	3.95%				
- Total revenue increased by		\$262,379 or	5.12%				
- Rate per \$1,000 increased		\$0.03042 or	1.13%				

Phase 2 of Chelan County Assessors Office includes reassessments in the City approximately north of Orondo.

Phase 3 of Chelan County Assessors Office includes no reassessments in City of Wenatchee.

Phase 4 of Chelan County Assessors Office includes no reassessments in City of Wenatchee.

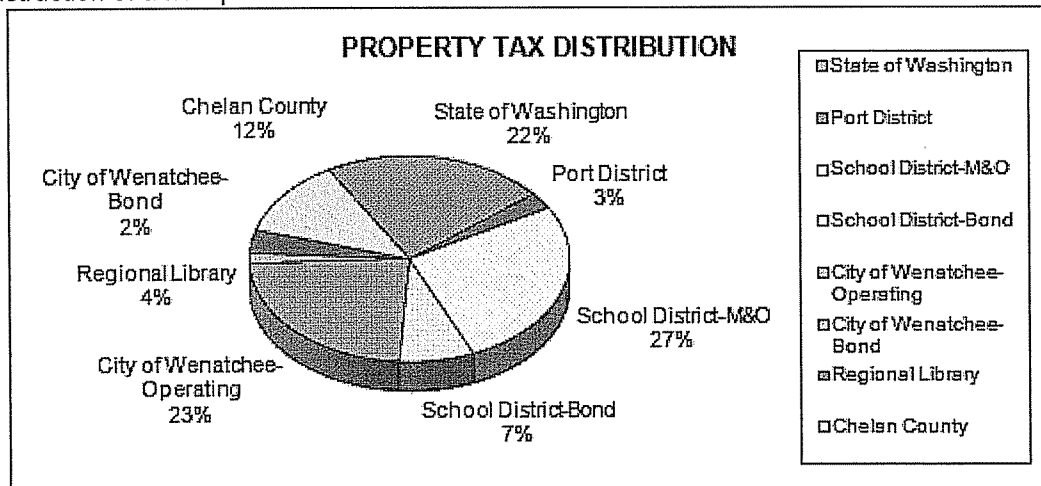
Phase 1 of Chelan County Assessors Office includes reassessments in the City approximately south of Orondo.

Phase 2 of Chelan County Assessors Office includes reassessments in the City approximately north of Orondo.

Phase 3 of Chelan County Assessors Office includes no reassessments in City of Wenatchee.

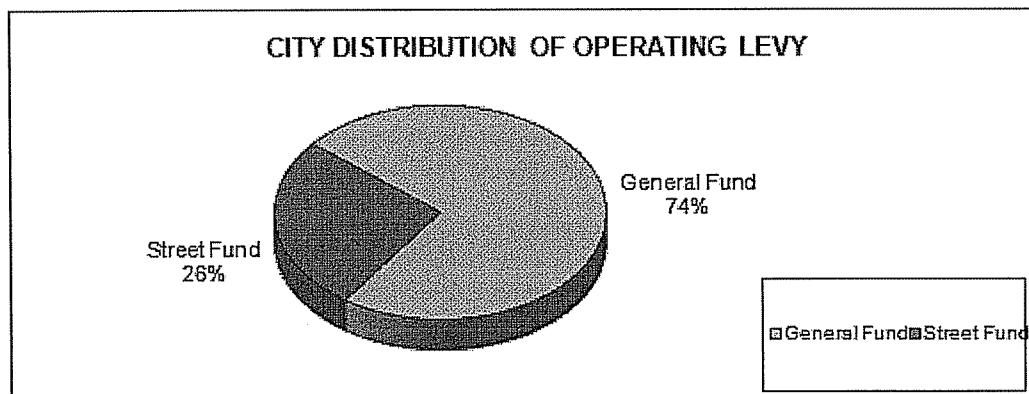
Phase 4 of Chelan County Assessors Office includes no reassessments in City of Wenatchee.

The following information reflects an estimate of the property taxes that will be paid by the citizens of Wenatchee in 2009 and is based upon the City of Wenatchee property tax levy adopted by the Wenatchee City Council in November 2008. The City levied \$5,382,215 in general property taxes and an additional \$365,653 to repay bonds issued in 2001 for the construction of a new police station.



Levy Rate per \$1,000 of Assessed Property Value		2009 Revenue	Home w/ Assessed Value of	
		Forecast*	\$ 100,000	\$ 200,000
State of Washington	\$2.63983	\$5,200,000	\$263.98	\$527.97
Port District	0.31118	613,000	31.12	62.24
School District-M&O	3.13960	6,184,000	313.96	627.92
School District-Bond	0.88347	1,740,000	88.35	176.69
City of Wenatchee-Operating	2.73247	5,382,215	273.25	546.49
City of Wenatchee-Bond	0.18564	365,653	18.56	37.13
Regional Library	0.43250	852,000	43.25	86.50
Chelan County	1.41045	2,778,000	141.05	282.09
Total	\$11.73514	\$23,114,868	\$1,173.52	\$2,347.03

*Forecast is based upon the City of Wenatchee's estimated 2009 levy and the actual levy rates used for all other taxing districts in 2008.



	City Distribution	2009 Revenue Forecast
General Fund	73.63%	\$ 3,962,700
Street Fund	26.37%	\$ 1,419,527
Total	100.00%	\$ 5,382,215

SALES TAXES

What: Sales/Use tax is a tax collected by businesses on the retail sales of tangible personal property and certain services. Exceptions to the retail sale tax include groceries, prescription drugs, certain government activities, and newspapers. Businesses do not pay sales and use tax on the purchase of materials that are to become components of finished products for sale.

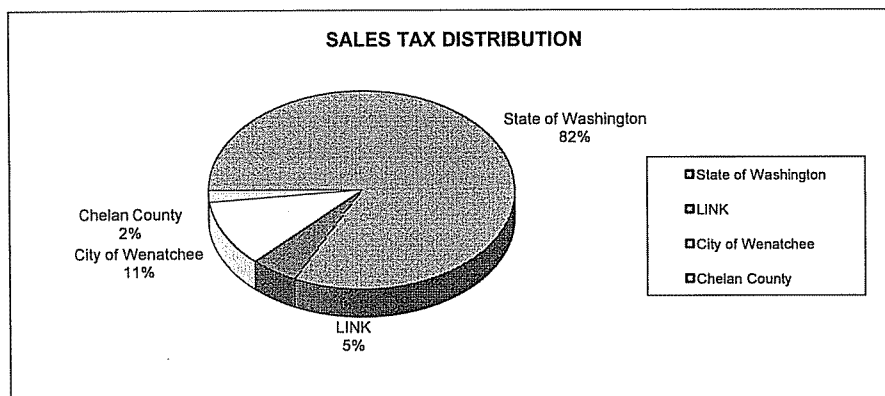
How Much: The total tax is 7.9%. Of this, the State collects 6.50%, the City .85%, LINK (for local transit) .40%, Chelan County .15% for operations.

Where the City's sales tax revenue is used: The Council has total discretion as to the use of this tax source and has historically dedicated 100% of this tax to support General Fund operations.

The following table summarizes the sales tax revenue (actual and budgeted) for the 5-year period 2005 through 2009:

Sales Taxes	Actual			Budget	Budget
	2005	2006	2007	2008	2009
Tax Received	6,328,398	7,094,639	7,496,140	8,060,000	7,794,000
Percentage Change	3.31%	12.11%	5.66%	7.52%	-3.30%

The following chart reflects an estimate of sales taxes that will be collected throughout the City of Wenatchee in calendar year 2009. The forecast for all entities is based upon a City estimate of 2009 sales tax remittances totaling \$7,794,000.



Sales Tax Collection Rate by Entity within the City of Wenatchee		2009 Revenue Forecast*
State of Washington	6.50%	59,601,000
LINK	0.40%	3,668,000
City of Wenatchee	0.85%	7,794,000
Chelan County	0.15%	1,375,000
	<u>7.90%</u>	<u>72,438,000</u>

CRIMINAL JUSTICE SALES TAX

RCW 82.14.340 allows the addition of a 1/10th of 1% sales tax whose proceeds are to be used exclusively for criminal justice purposes. Proceeds of the tax are to be allocated 10% to the county in which the tax is collected, with the remainder to be distributed to the county and cities within the county ratably based on population. Money received from the tax must be expended exclusively for criminal justice purposes and may not be used to supplant existing funding. Existing funding is defined in the statute as calendar year 1989 actual operating expenditures for criminal justice purposes.

In 1995, Chelan County and the Cities within the County each adopted resolutions (City of Wenatchee Resolution #2035 dated 7/25/1995) authorizing the imposition of this tax with the intent that the proceeds be dedicated to repay LTGO bonds issued by Chelan County for the design and construction of a juvenile detention center. The bonds were issued in 1997 and ultimately retired in their entirety in the latter part of 2007. On December 11, 2007 the Chelan County Commission then approved Resolution #2007-167 which authorized the reimposition of the 1/10th of 1% sales tax to finance criminal justice expenditures for the County and all of the Cities within the County.

During the spring of 2008 the Wenatchee City Council held hearings on how the proceeds should be expended keeping in mind that RCW 82.14.340 is very clear in that it requires the proceeds be expended exclusively for criminal justice purposes and may not be used to supplant *existing* funding defined in the statute as calendar year 1989 actual operating expenditures. Given that 2008 expenditures directly attributable to criminal justice activities were anticipated to be \$8,968,410 (including police department operations, Rivercom, the jail, public defender, district court, etc.) and that 1989 expenditures were \$2,591,959, it was clear that the growth of \$6,376,451 significantly exceeded the annual \$600,000 anticipated to be generated by the tax. Based upon this the City found itself in a position where it could chose to retroactively apply the entire proceeds against the \$6.37 million increase incurred since 1989 (essentially liberating the money for other uses), spending all of the money on new or expanded criminal justice programs, or some combination of each. Ultimately, the City Council amended the 2008 Budget to add \$586,750 of General Fund expenditures that were directed toward public safety enhancements including the hiring of two additional police officers and the addition of various pieces of equipment including vehicles and technology related purchases.

The following table summarizes the sales tax revenue (actual and budgeted) for the 5-year period 2005 through 2009:

Criminal Justice Sales Tax	Actual			Budget	Budget
	2005	2006	2007	2008	2009
Tax Received	0	0	480,622	600,000	600,000
Percentage Change	n/a	n/a	n/a	24.84%	0.00%

UTILITY TAXES

What: Utility taxes are applied to utilities providing services within the corporate limits of the City of Wenatchee (i.e. water, sewer, garbage, telephone, electricity, gas and cable television).

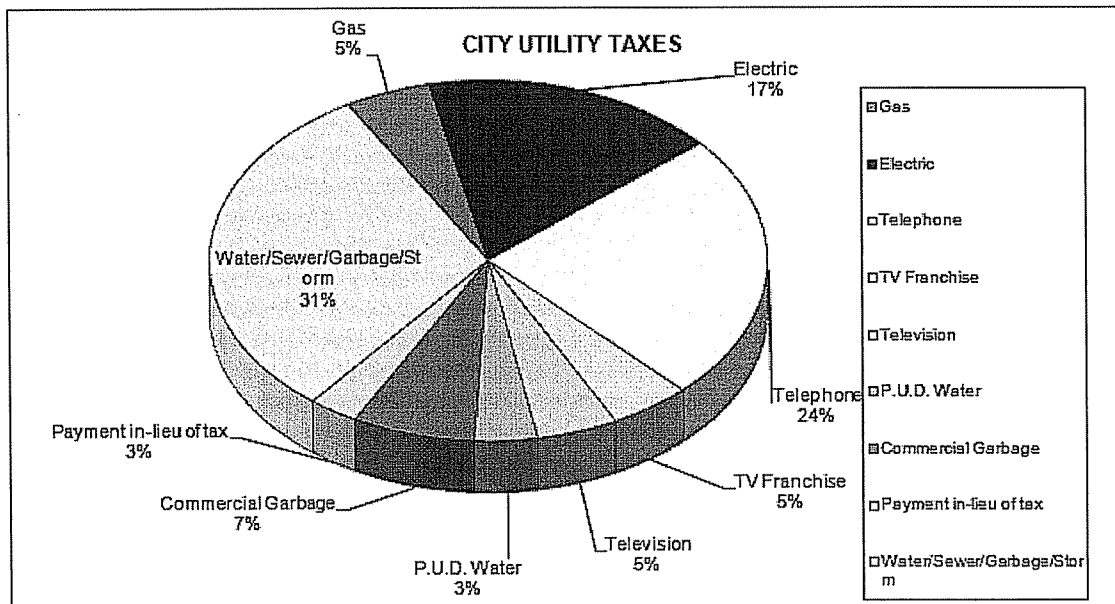
How Much: The tax amount varies from a low of 5% for the cable franchise fee to a high of 15% for water, sewer, storm drain and garbage services

Where the revenue is used: This tax is currently used to benefit only the General Fund. The City Council has total discretion as to the use of this tax source.

The following table summarizes the types and amounts of utility tax revenue (actual and budgeted) for the 5-year period 2005 through 2009:

Utility Taxes	Actual			Budget	Budget
	2005	2006	2007	2008	2009
Gas (6%)	192,156	244,685	243,827	260,000	260,000
Electric (6%)	767,655	805,500	821,882	860,000	900,000
Telephone (6%)	1,100,138	1,110,050	1,172,030	1,170,000	1,250,000
TV Franchise (5%)	204,283	214,572	220,640	235,000	247,000
Television (5%)	225,491	237,805	249,311	235,000	247,000
P.U.D. Water (15%)	160,147	163,807	179,974	190,000	190,000
Commercial Garbage (15%)	326,547	344,620	340,503	362,000	375,000
Payment in-lieu of property tax	118,900	120,600	119,800	128,800	150,300
Water/Sewer/Garbage/Storm (15%)	1,285,877	1,382,960	1,446,425	1,548,200	1,608,800
Total	4,381,194	4,624,599	4,794,391	4,989,000	5,228,100
Percentage Change	6.03%	5.56%	3.67%	4.06%	4.79%

The following charts reflect an estimation of the utility taxes that will be paid by the citizens of Wenatchee in 2009.



City Utility Taxes and Rates	2009 Revenue Forecast
Gas	\$260,000
Electric	\$900,000
Telephone	\$1,250,000
TV Franchise	\$247,000
Television	\$247,000
P.U.D. Water	\$190,000
Commercial Garbage	\$375,000
Payment in-lieu of tax	\$150,300
Water/Sewer/Garbage/Storm	\$1,608,800
Total	\$5,228,100

REAL ESTATE EXCISE TAXES

What: A tax on the transfer of real property, which is paid by the seller at the time of closing.

How Much: There are two ¼ % portions available to the City totaling ½ of 1% of the sales price of real estate transactions within the City.

- The first ¼ % may be spent towards "local capital improvements" which may include streets, parks, sewers, water mains, swimming pools and gymnasiums, etc.

- The second ¼ % may only be spent towards capital projects of a public works nature such as streets, roads, lighting, water systems, storm and sanitary systems and park *construction or reconstruction* (the acquisition of park land is not permitted for the second ¼ %).

Where the revenue is used: The City of Wenatchee assesses both quarter percents for a total of ½ of 1%:

- The first ¼ % is used to repay a portion (\$170,460 of a \$372,226 payment in 2009) of the 1998 L.T.G.O. Bonds (otherwise known as Councilmanic or non-voted bonds) that were issued to finance street overlays throughout the City plus a variety of other capital projects. This revenue is recorded in the Real Estate Excise Tax Fund (See Part 10-Capital Project Funds-Fund 301).
- The second ¼ % is used to fund the City's ongoing street overlay program (See Part 8-Special Revenue Funds-Fund 111).

The table below summarizes the collections for the first ¼ and second ¼ of 1% Real Estate Excise Tax received (actual and budgeted) for the 5-year period 2005 through 2009:

Real Estate Excise Tax	Actual			Budget	Budget
	2005	2006	2007	2008	2009
1st 1/4% Tax Received (Fund 301)	473,359	573,242	522,363	525,000	360,000
2nd 1/4% Tax Received (Fund 111)	472,730	573,247	522,367	525,000	360,000
Percentage Change	20.43%	21.26%	-8.88%	0.50%	-31.43%

BUSINESS LICENSES

What: A license fee for the privilege of conducting business within the City of Wenatchee.

How Much: A graduating scale starting at \$50 per year and increasing based upon the number of employees to a high of \$380 for more than 50 employees.

Where the revenue is used: The revenue is currently used to benefit the General Fund. The table below summarizes the business license revenue received (actual and budgeted) for the 5-year period 2005 through 2009:

Business Licenses	Actual			Budget	Budget
	2005	2006	2007	2008	2009
License Revenue	160,925	184,050	169,134	165,000	169,000
Percentage Change	2.05%	14.37%	-8.10%	-2.44%	2.42%

PLANNING AND BUILDING PERMITS

What: Permits are granted for building and construction, which accounts for much of this type of revenue received by the City. The permit process is designed to enforce minimum standard codes and the process is partially paid for by the fees charged for issuance of the permits and enforcement of codes. The City also receives permits revenue from the issuance of Fire and Concealed Weapon permits.

How Much: The fees for building and construction are from a complex schedule that includes State assessments. Many permits are based upon the value of construction. The permit fees for Fire and Concealed Weapons are based on a flat fee.

Where the revenue is used: This revenue is currently used to benefit the General Fund. The following table summarized the revenue received (actual and budgeted) for the 5-year period 2005 through 2009:

Planning and Building Permits	Actual			Budget	Budget
	2005	2006	2007	2008	2009
Fees	614,033	564,448	486,028	500,000	625,000
Percentage Change	-4.17%	-8.08%	-13.89%	2.87%	25.00%

CHARGES FOR SERVICES

What: This category includes all service charges for outside customers and where one department of the City becomes a customer of another. Park fees and service charges are included in this category.

How Much: Charges vary based upon the type of service being delivered.

Where the revenue used: This source of revenue is typically utilized to recoup the cost of delivery of service. The General Fund is the only governmental fund that provides these types of services and therefore any revenue earned are used to benefit this fund.

Fees charged to the public are based upon predetermined rate schedules. Fees charged for utility administration and engineering services are based upon an estimate of actual time spent on projects for the City's utilities. Engineering services fluctuate from year to year based upon the number and magnitude of construction projects.

Charges for Services	Actual			Budget	Budget
	2005	2006	2007	2008	2009
Miscellaneous Park Fees	79,683	86,650	88,894	87,000	89,000
District Court Admin Fees	15,782	20,173	20,316	19,600	20,500
Zoning/Subdivision/Engineering Svc	84,289	49,071	71,286	51,500	50,500
Engineering Services	373,248	397,651	370,172	399,900	433,600
Utility Administration	741,826	815,930	855,690	864,750	923,200
Recycle Revenue	22,222	31,781	23,403	22,960	23,650
Fire Protection Services	32,553	33,468	39,522	34,000	45,000
Police - School Rsrc & Event Security	37,637	58,747	117,324	111,000	148,000
Total	1,387,240	1,493,470	1,586,606	1,590,710	1,733,450
Percentage Change	2.34%	7.66%	6.24%	0.26%	8.97%

FINES & FORFEITS

What: This category includes all revenues received by the City from fines, forfeitures and/or court assessments. These revenues are primarily generated by the Police Department.

How Much: The amount varies depending upon the infraction.

Where the revenue is used: The revenue derived from fines and forfeitures is used to support General Fund Operations.

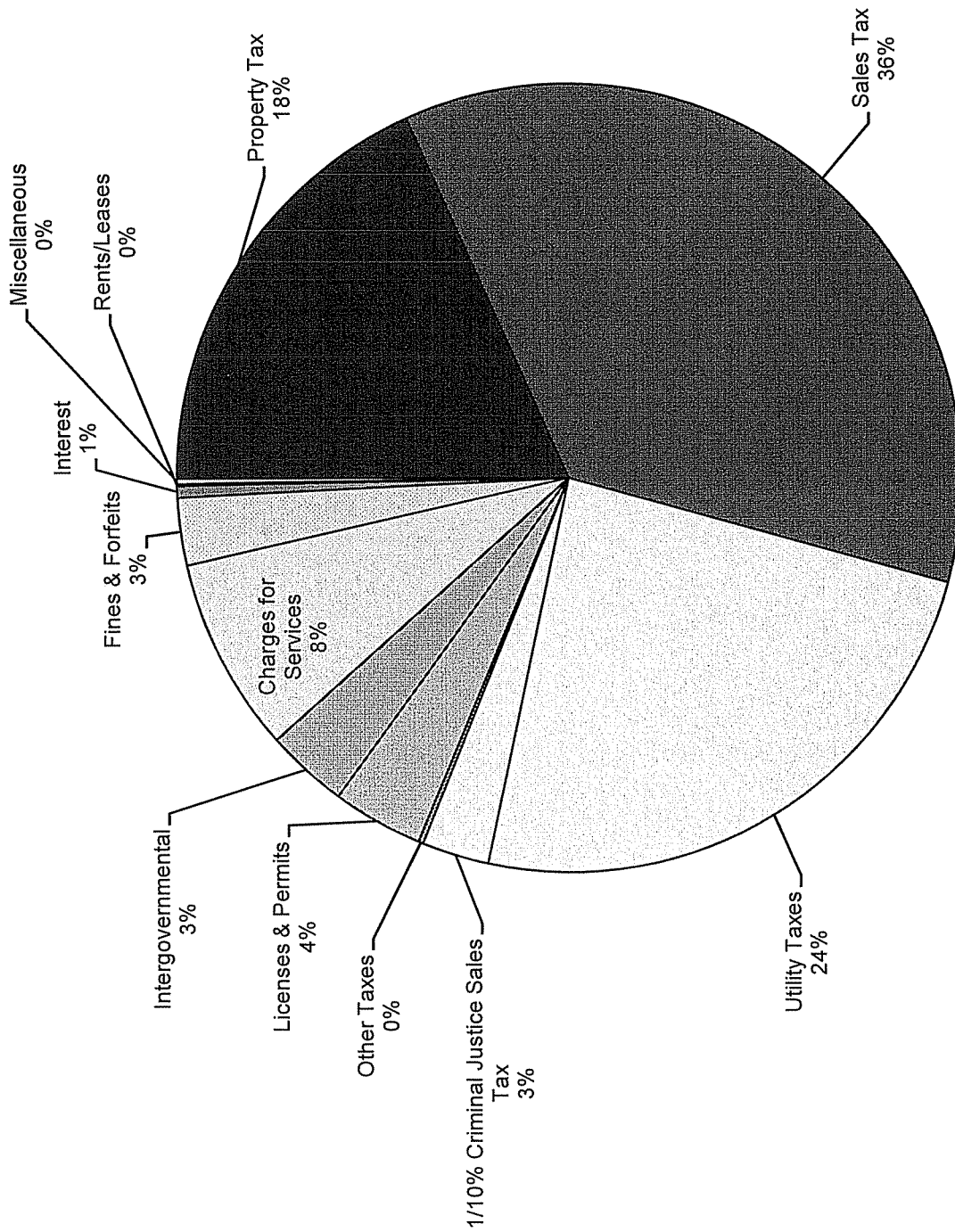
The City of Wenatchee contracts with Chelan County District Court for court services related to non-felony violations and the Chelan County Treasurer collects the fines and remits them to the City on a monthly basis. Although the City actually records revenues by fine type as they are received we do not budget in this manner due to the unpredictability of the revenue sources. The budget simply attempts to put an estimated dollar figure to the total revenues we anticipate we will receive.

Fines & Forfeits	Actual			Budget	Budget
	2005	2006	2007	2008	2009
Fines & Forfeits/District Court	8,039	5,064	6,628	460,000	500,000
Investigative Fund Penalty	8,365	8,399	7,715	0	0
Crime Victim Penalty Assessment	0	0	335	0	0
Proof of Insurance Penalty	1,510	1,729	1,690	0	0
Traffic Infractions	165,790	213,996	208,252	0	0
Non-Parking Infractions	8,636	7,903	5,322	0	0
Parking Infractions	95,167	96,520	103,916	95,000	100,000
DUI Fines	41,640	36,493	40,594	0	0
Other Criminal Traffic Fines	27,456	52,505	71,121	0	0
Other Criminal Non-Traffic Fines	45,650	60,218	65,717	0	0
Court Costs Recouped	16,830	16,948	12,565	0	0
Jury and Witness Costs	2,444	363	681	0	0
Public Defense Costs	32,026	39,979	47,544	0	0
Total	453,552	540,117	572,078	555,000	600,000
Percentage Change	-11.37%	19.09%	5.92%	-2.99%	8.11%

The following table and chart portray a percentage analysis of the anticipated 2009 recurring General Fund revenues:

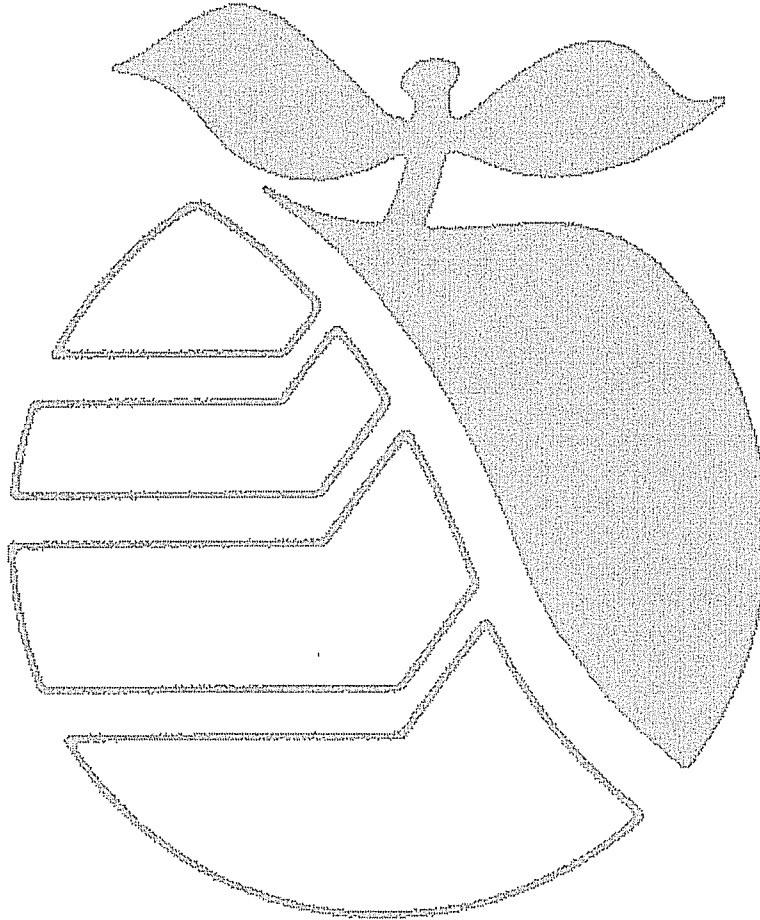
CITY OF WENATCHEE, WA
Analysis of 2009 General Fund Budget
Recurring Revenues

Source	Amount	% of Total	
Property Tax	3,962,700	18.3%	} 78.4%
Sales Tax	7,794,000	36.0%	
Utility Taxes	5,228,100	24.1%	
1/10% Criminal Justice Sales Tax	600,000	2.8%	
Other Taxes	44,000	0.2%	
Licenses & Permits	809,000	3.7%	
Intergovernmental	736,000	3.4%	
Charges for Services	1,733,450	8.0%	
Fines & Forfeits	600,000	2.8%	
Interest	100,500	0.5%	
Rents/Leases	15,900	0.1%	
Miscellaneous	51,100	0.1%	
Total	<u>21,674,750</u>	<u>100.0%</u>	



This page left intentionally blank.

Part 4. Budget Summary



2009 Budget Summary

The following pages reflect a summary of the City of Wenatchee's 2009 Budget for each of the 34 funds for which a budget was prepared and adopted via City Ordinance #2008-37. Included in this summary are estimated revenues, appropriations (expenditures) and an analysis of either fund balance or working capital balance. We have also included a comparison to the 2008 Amended Budget with an analysis of both dollar and percentage changes for both revenues and expenditures.

Listed below is a brief overview of a number of important points:

- Ordinance #2008-37 adopts the 2009 Budget for 34 City funds for total appropriations (expenditures) of \$61,848,430.

- A comparison of the 2008 and 2009 Budgets as initially adopted is as follows:

Budget for all Funds			Increase (Decrease)	
	2008	2009	\$	%
<i>(As Initially Adopted)</i>				
Operating expenses	45,070,144	43,517,374	(1,552,770)	(3.45%)
Capital Expenses	27,807,456	18,331,056	(9,476,400)	(34.08%)
Total appropriations	<u>72,877,600</u>	<u>61,848,430</u>	<u>(11,029,170)</u>	<u>(15.13%)</u>

- A comparison of the General Fund Budget for 2009 and 2008 as finally amended follows:

General Fund Budget			Increase (Decrease)	
	2008	2009	\$	%
<i>(As Finally Amended)</i>				
Recurring revenues	21,300,460	21,674,750	374,290	1.76%
Recurring expenses	20,664,629	21,671,328	1,006,699	4.87%

- The 2009 Budget includes 200.15 FTEs as compared to 198.82 FTEs in the 2008 Budget for a net increase of 1.33 FTEs.

FTEs @ 1/1/2008	198.82
2008 FTE additions	
2 police officers	2
FTEs currently	200.82
2009 FTE requests	
- Administrative Assistant in Mayor's Office	
Increase weekly from 32 to 35 hours	0.08
- Event Center Project Manager	-0.75
FTEs @ 1/1/2009	<u>200.15</u>

- The 2009 Budget includes capital awards of \$18,331,056 partially consisting of:
 - \$150,000 for Broadview Road access (budgeted for in 2007 and 2008 and now reappropriated into 2009).
 - \$ 350,000 for Street Overlays.
 - \$ 60,000 of City Hall HVAC improvements (financed with 2007 LTGO Bonds proceeds).

- \$ 4,395,000 for water and sewer capital
- \$ 495,000 for storm drain projects
- \$ 1,455,000 for regional water projects
- \$ 40,000 of capital improvements at the cemetery
- \$ 355,926 for replacement of existing vehicles
- \$ 30,000 for acquisition of additional vehicles
- \$ 25,000 for IT capital
- \$ 593,407 for the Orondo Boat Moorage project
- \$ 122,869 for the Foothills Trail project
- \$9,887,427 for Arterial Street Fund projects

Through the balance of this section:

- Pages 4-3 through 4-19 present a summary by fund of the 2009 Budget as adopted by the City Council on December 11, 2008, as well as the 2008 Budget as amended in June 2008 and finally amended in December 2008.
- Page 4-20 provides a summary of full-time equivalent (FTE) employees by fund over the 10-year period 2000 through 2009 including a description of the specific changes that occurred between 2008 and 2009.
- Pages 4-21 and 4-22 present General Fund recurring revenues by source in both a number and chart format. The chart provides a telling picture of the importance of the tax revenues necessary to provide city services.
- Pages 4-23 and 4-24 present General Fund recurring expenditures by function rather than the typical view of cost by department as presented on page 4-3.

	2008 Budget			2009 Budget	Difference	
	As Amended 6/12/2008	Amendments & Adjustments	Final		\$	%
#001 - GENERAL FUND						
RECURRING REVENUES						
Taxes:						
Property Tax	3,408,200	452,600	3,860,800	3,962,700	101,900	2.64%
Sales & Use Tax	8,060,000	0	8,060,000	7,794,000	(266,000)	(3.30%)
Criminal Justice Sales Tax	600,000	0	600,000	600,000	0	0.00%
Utility Taxes	4,989,000	0	4,989,000	5,228,100	239,100	4.79%
Other Taxes	50,000	0	50,000	44,000	(6,000)	(12.00%)
Total Taxes	17,107,200	452,600	17,559,800	17,628,800	69,000	0.39%
Other Revenue:						
Licenses & Permits	683,000	0	683,000	809,000	126,000	18.45%
Intergovernmental	732,500	28,000	760,500	736,000	(24,500)	(3.22%)
Charges for Services	1,590,710	0	1,590,710	1,733,450	142,740	8.97%
Fines & Forfeits	555,000	0	555,000	600,000	45,000	8.11%
Interest	171,000	(55,000)	116,000	100,500	(15,500)	(13.36%)
Rents/Leases/Concessions	15,100	0	15,100	15,900	800	5.30%
Transfers In - #117	0	0	0	18,600	18,600	#DIV/0!
Miscellaneous	20,000	350	20,350	32,500	12,150	59.71%
Total Other Revenue	3,767,310	(26,650)	3,740,660	4,045,950	305,290	8.16%
Total Recurring Revenues	20,874,510	425,950	21,300,460	21,674,750	374,290	1.76%
RECURRING EXPENDITURES						
Mayor / Council	605,366	0	605,366	639,150	33,784	5.58%
Finance	987,660	0	987,660	1,019,927	32,267	3.27%
Human Resources	207,807	0	207,807	214,193	6,386	3.07%
City Attorney	245,000	0	245,000	340,200	95,200	38.86%
Code Enforcement	355,938	0	355,938	540,133	184,195	51.75%
Planning	768,549	0	768,549	624,844	(143,705)	(18.70%)
Engineering	582,636	0	582,636	595,624	12,988	2.23%
Recreation/Swimming Pool	636,700	350	637,050	668,730	31,680	4.97%
Parks Maintenance	848,015	0	848,015	840,474	(7,541)	(0.89%)
Museum	562,686	0	562,686	585,217	22,531	4.00%
Fire	3,727,469	(10,500)	3,716,969	3,777,873	60,904	1.64%
Fire - Retiree Medical	308,527	0	308,527	282,507	(26,020)	(8.43%)
Police	6,236,724	4,368	6,241,092	6,364,898	123,806	1.98%
Police - Retiree Medical	271,473	0	271,473	297,493	26,020	9.58%
Public Defender/District Court	444,000	0	444,000	468,700	24,700	5.56%
Chelan County Regional Jail	1,573,776	50,129	1,623,905	1,964,000	340,095	20.94%
Rivercom	812,000	0	812,000	889,100	77,100	9.50%
Civil Service	17,500	0	17,500	17,300	(200)	(1.14%)
Other Administrative	1,398,999	29,457	1,428,456	1,540,965	112,509	7.88%
Total Recurring Expenditures	20,590,825	73,804	20,664,629	21,671,328	1,006,699	4.87%
RECURRING REVENUES OVER (UNDER) RECURRING EXPENDITURES						
	283,685	352,146	635,831	3,422		

	2008 Budget			2009	Difference	
	As Amended 6/12/2008	Amendments & Adjustments	Final	Budget	\$	%
GENERAL FUND - continued						
NONRECURRING REVENUES						
Grants - Police	28,000	69,941	97,941	27,900	(70,041)	(71.51%)
Grants - Fire	0	1,644	1,644	94,500	92,856	5648.18%
Grants - Planning	396,500	0	396,500	0	(396,500)	(100.00%)
PFD Reimbursements	94,359	0	94,359	0	(94,359)	(100.00%)
Contributions	0	8,100	8,100	0	(8,100)	(100.00%)
Transfers In - #611	0	0	0	358,000	358,000	#DIV/0!
Transfers In - #117	12,000	6,600	18,600	0	(18,600)	(100.00%)
Total Revenue	530,859	86,285	617,144	480,400	(136,744)	(22.16%)
NONRECURRING EXPENDITURES						
Police - Grants	28,000	67,673	95,673	27,900	(67,773)	(70.84%)
Fire - Grants	0	6,144	6,144	94,500	88,356	1438.09%
Planning - Grants	396,500	0	396,500	0	(396,500)	(100.00%)
Fire operating	43,000	1,500	44,500	10,500	(34,000)	(76.40%)
Recreation - Park Master Plan	30,000	0	30,000	0	(30,000)	(100.00%)
Police operating	105,500	0	105,500	0	(105,500)	(100.00%)
PFD expenses	94,359	0	94,359	0	(94,359)	(100.00%)
Other Administrative	959,825	1,138,759	2,098,584	94,400	(2,004,184)	(95.50%)
Capital Outlay	160,750	(126,000)	34,750	150,000	115,250	331.65%
Total Non-Recurring Expenditures	1,817,934	1,088,076	2,906,010	377,300	(2,528,710)	(87.02%)
NONRECURRING REVENUES OVER (UNDER) NON-RECURRING EXPENDITURES						
	(1,287,075)	(1,001,791)	(2,288,866)	103,100		
EXCESS (DEFICIT) OF TOTAL REVENUES OVER (UNDER) TOTAL EXPENDITURES						
	(1,003,390)	(649,645)	(1,653,035)	106,522		
Fund Balance January 1,	5,065,714		5,065,714	3,412,679		
Fund Balance December 31	4,062,324		3,412,679	3,519,201		
Reserve as a percentage of recurring expenditures =						
	19.73%		16.51%	16.24%		

	2008 Budget			2009	Difference	
	As Amended 6/12/2008	Amendments & Adjustments	Final	Budget	\$	%
SPECIAL REVENUE FUNDS						
#101 - PUBLIC ART						
Revenues	16,000	42,000	58,000	22,700	(35,300)	(60.86%)
Expenditures						
Operating	22,600		22,600	25,700	3,100	13.72%
Capital	90,000	(30,000)	60,000	19,536	(40,464)	(67.44%)
Total Expenditures	112,600	(30,000)	82,600	45,236	(37,364)	(45.23%)
Revenues over (under) expenditures	(96,600)	72,000	(24,600)	(22,536)		
Fund Balance January 1,	51,241		51,241	42,641		
Fund Balance December 31	(29,353)		42,647	20,111		
#103 - PATHS AND TRAILS						
Revenues	93,900	0	93,900	4,100	(89,800)	(95.63%)
Expenditures	100,046	0	100,046	0	(100,046)	(100.00%)
Revenues over (under) expenditures	(6,146)	0	(6,146)	4,100		
Fund Balance January 1,	17,538		17,538	11,392		
Fund Balance December 31	11,392		11,392	15,492		
#104 - TOURISM PROMOTION AREA						
Revenues	177,500	0	177,500	179,900	2,400	1.35%
Expenditures	177,500	0	177,500	179,900	2,400	1.35%
Revenues over (under) expenditures	0	0	0	0		
Fund Balance January 1,	0		0	0		
Fund Balance December 31	0		0	0		
#106 - CONVENTION CENTER						
Revenues						
Hotel/Motel Tax	386,400	0	386,400	388,400	2,000	0.52%
Chelan County	65,000	0	65,000	65,000	0	0.00%
West Coast	184,000	0	184,000	195,000	11,000	5.98%
Miscellaneous	14,001	0	14,001	9,201	(4,800)	(34.28%)
Transfers In - #105	214,200	35,703	249,903	218,200	(31,703)	(12.69%)
Total Revenues	863,601	35,703	899,304	875,801	(23,503)	(2.61%)
Expenditures						
Operating	398,140	0	398,140	417,438	19,298	4.85%
Capital	75,000	0	75,000	75,000	0	0.00%
Transfers out - #503	15,200	0	15,200	0	(15,200)	(100.00%)
Transfers out - #505	0	0	0	0	0	#DIV/0!
Debt Service	384,880	0	384,880	302,418	(82,462)	(21.43%)
Total Expenditures	873,220	0	873,220	794,856	(78,364)	(8.97%)
Revenues over (under) expenditures	(9,619)	35,703	26,084	80,945		
Fund Balance January 1,	468,151		468,151	494,235		
Fund Balance December 31	458,532		494,235	575,180		

	2008 Budget			2009	Difference	
	As Amended 6/12/2008	Amendments & Adjustments	Final	Budget	\$	%
SPECIAL REVENUE FUNDS - Continued						
#105 - HOTEL/MOTEL TAX - CAPITAL						
Revenues	214,200	3,800	218,000	218,200	200	0.09%
Expenditures						
Transfers Out - #106	214,200	35,703	249,903	218,200	(31,703)	(12.69%)
Revenues over (under) expenditures	0	(31,903)	(31,903)	0		
Fund Balance January 1,	31,903		31,903	0		
Fund Balance December 31	31,903		0	0		
#107 - HOTEL/MOTEL TAX - TOURISM						
Revenues	388,900	0	388,900	389,400	500	0.13%
Expenditures	386,400	0	386,400	388,400	2,000	0.52%
Revenues over (under) expenditures	2,500	0	2,500	1,000		
Fund Balance January 1,	25,646		25,646	28,146		
Fund Balance December 31	28,146		28,146	29,146		
#108 - STREETS						
Revenues						
Property Taxes	1,269,200	0	1,269,200	1,419,527	150,327	11.84%
MVFT	429,200	0	429,200	407,600	(21,600)	(5.03%)
Billed to Storm Drain Fund	178,200	0	178,200	163,000	(15,200)	(8.53%)
Miscellaneous	42,000	0	42,000	24,800	(17,200)	(40.95%)
Total Revenues	1,918,600	0	1,918,600	2,014,927	96,327	5.02%
Expenditures						
Operating	1,918,524	0	1,918,524	2,014,927	96,403	5.02%
Capital	40,000	0	40,000	90,000	50,000	125.00%
Transfers out - #503	43,100	0	43,100	0	(43,100)	(100.00%)
Transfers out - #505	12,500	0	12,500	4,600	(7,900)	(63.20%)
Total Expenditures	2,014,124	0	2,014,124	2,109,527	95,403	4.74%
Revenues over (under) expenditures	(95,524)	0	(95,524)	(94,600)		
Fund Balance January 1,	632,984		632,984	537,460		
Fund Balance December 31	537,460		537,460	442,860		

	2008 Budget			2009 Budget	Difference	
	As Amended 6/12/2008	Amendments & Adjustments	Final		\$	%
SPECIAL REVENUE FUNDS - Continued						
#109 - ARTERIAL STREETS						
Revenues						
MVFT (\$.0246/gallon)	199,300	0	199,300	189,300	(10,000)	(5.02%)
MVFT (\$.0025+\$.0025/gallon)	127,800	0	127,800	121,300	(6,500)	(5.09%)
Fed Pass Through	685,778	(513,675)	172,103	1,444,109	1,272,006	739.10%
TIB	4,427,939	(3,976,309)	451,630	3,830,965	3,379,335	748.25%
CTED/CERB	0	0	0	0	0	#DIV/0!
LINK	40,000	(40,000)	0	0	0	#DIV/0!
Interest	5,000	0	5,000	5,000	0	0.00%
LID Bonds	0	0	0	4,136,901	4,136,901	#DIV/0!
Private contributions	1,200,000	(1,200,000)	0	0	0	#DIV/0!
Proceeds from sale of land	1,350,000	481,300	1,831,300	0	(1,831,300)	(100.00%)
Total Revenue	8,035,817	(5,248,684)	2,787,133	9,727,575	6,940,442	249.02%
Expenditures						
Capital construction	1,188,954	(6,214,134)	914,220	9,881,421	8,913,201	914.91%
Miscellaneous	0	85,517	85,517	0	(85,517)	(100.00%)
Transfer out - #308	0	200,000	200,000	0	(200,000)	(100.00%)
Interfund loans repaid - #401	1,179,461	0	1,179,461	0	(1,179,461)	(100.00%)
Total Expenditures	8,368,415	(5,929,217)	2,439,198	9,887,427	7,448,229	305.36%
Revenues over						
(under) expenditures	(332,598)	680,533	347,935	(159,852)		
Fund Balance January 1,	531,738		531,738	879,673		
Fund Balance December 31	199,140		879,673	719,821		
#110 - LEOFF 1 - LONG-TERM CARE						
Revenues						
Transfer In - #001	135,000	0	135,000	151,500	16,500	12.22%
Miscellaneous	28,000	0	28,000	12,700	(15,300)	(54.64%)
Total Revenue	163,000	0	163,000	164,200	1,200	0.74%
Expenditures	135,000	0	135,000	149,000	14,000	10.37%
Revenues over						
(under) expenditures	28,000	0	28,000	15,200		
Fund Balance January 1,	485,711		485,711	513,711		
Fund Balance December 31	513,711		513,711	528,911		

	2008 Budget			2009	Difference	
	As Amended 6/12/2008	Amendments & Adjustments	Final	Budget	\$	%
SPECIAL REVENUE FUNDS - Continued						
#111 - STREET OVERLAY						
Revenues						
2nd 1/4% R.E.E.T.	525,000	0	525,000	360,000	(165,000)	(31.43%)
Miscellaneous	33,000	0	33,000	27,300	(5,700)	(17.27%)
Total Revenue	558,000	0	558,000	387,300	(170,700)	(30.59%)
Expenditures						
Capital	500,000	326,000	826,000	350,000	(476,000)	(57.63%)
Miscellaneous	0	0	0	0	0	#DIV/0!
Total Expenditures	500,000	326,000	826,000	350,000	(476,000)	(57.63%)
Revenues over (under) expenditures	58,000	(326,000)	(268,000)	37,300		
Fund Balance January 1,	945,039		945,039	677,039		
Fund Balance December 31	1,003,039		677,039	714,339		
#112 - ICE ARENA						
Revenues						
Operating	109,632	52,368	162,000	0	(162,000)	(100.00%)
Operating Trans.-In	0	108,000	108,000	0	(108,000)	(100.00%)
Total Revenue	109,632	160,368	270,000	0	(270,000)	(100.00%)
Expenditures						
Operating	118,044	139,631	257,675	0	(257,675)	(100.00%)
Capital	0	0	0	0	0	#DIV/0!
Transfers out - #500	0	0	0	0	0	#DIV/0!
Transfers out - #314	228,743	51,257	280,000	0	(280,000)	(100.00%)
Total Expenditures	346,787	190,888	537,675	0	(537,675)	(100.00%)
Revenues over (under) expenditures	(237,155)	(30,520)	(267,675)	0		
Fund Balance January 1,	267,675		267,675	0		
Fund Balance December 31	30,520		0	0		
#113 - HOUSING REHABILITATION						
Revenues	66,000	(11,700)	54,300	54,700	400	0.74%
Expenditures	197,000	(40,920)	156,080	73,500	(82,580)	(52.91%)
Revenues over (under) expenditures	(131,000)	29,220	(101,780)	(18,800)		
Fund Balance January 1,	166,100		166,100	64,320		
Fund Balance December 31	35,100		64,320	45,520		

	2008 Budget			2009 Budget	Difference	
	As Amended 6/12/2008	Amendments & Adjustments	Final		\$	%
SPECIAL REVENUE FUNDS - Continued						
#114 - COMMUNITY CENTER OPERATIONS						
Revenues						
Operating	68,450	0	68,450	102,100	33,650	49.16%
Transfer in - #001.015	0	0	0	20,000	20,000	#DIV/0!
Miscellaneous	13,200	0	13,200	6,400	(6,800)	(51.52%)
Total Revenue	81,650	0	81,650	128,500	46,850	57.38%
Expenditures						
Operating	114,803	0	114,803	159,426	44,623	38.87%
Transfers out - #505	0	0	0	1,300	1,300	#DIV/0!
Total Expenditures	114,803	0	114,803	160,726	45,923	40.00%
Revenues over (under) expenditures	(33,153)	0	(33,153)	(32,226)		
Fund Balance January 1,	225,129		225,129	191,976		
Fund Balance December 31	191,976		191,976	159,750		
#115 - CDBG ENTITLEMENT						
Revenues	3,427	0	3,427	76,891	73,464	2143.68%
Expenditures						
Operating	3,427	0	3,427	0	(3,427)	(100.00%)
Capital	0	0	0	76,891	76,891	#DIV/0!
Total Expenditures	3,427	0	3,427	76,891	73,464	2143.68%
Revenues over (under) expenditures	0	0	0	0		
Fund Balance January 1,	50,097		50,097	50,097		
Fund Balance December 31	50,097		50,097	50,097		
#116 - LEOFF 1 - HEALTH INSURANCE						
Revenues						
Transfer In - #001	580,000	0	580,000	580,000	0	0.00%
Miscellaneous	12,500	0	12,500	11,500	(1,000)	(8.00%)
Total Revenue	592,500	0	592,500	591,500	(1,000)	(0.17%)
Expenditures	580,000	0	580,000	580,000	0	0.00%
Revenues over (under) expenditures	12,500	0	12,500	11,500		
Fund Balance January 1,	372,848		372,848	385,348		
Fund Balance December 31	385,348		385,348	396,848		

	2008 Budget			2009	Difference	
	As Amended 6/12/2008	Amendments & Adjustments	Final	Budget	\$	%
SPECIAL REVENUE FUNDS - Continued						
#117 - HOMELESS HOUSING						
Revenues						
Chelan County	140,000	70,000	210,000	210,000	0	0.00%
Douglas County	60,000	40,000	100,000	100,000	0	0.00%
Miscellaneous	7,400	(700)	6,700	4,700	(2,000)	(29.85%)
Total Revenue	207,400	109,300	316,700	314,700	(2,000)	(0.63%)
Expenditures						
Operating	406,100	73,748	479,848	353,568	(126,280)	(26.32%)
Transfers out - #001	12,000	6,600	18,600	18,600	0	0.00%
Total Expenditures	418,100	80,348	498,448	372,168	(126,280)	(25.33%)
Revenues over (under) expenditures	(210,700)	28,952	(181,748)	(57,468)		
Fund Balance January 1,	338,732		338,732	156,984		
Fund Balance December 31	128,032		156,984	99,516		
DEBT SERVICE FUNDS						
#201 - UTGO BONDS						
Revenues	363,153	0	363,153	368,253	5,100	1.40%
Expenditures	363,153	0	363,153	365,653	2,500	0.69%
Revenues over (under) expenditures	0	0	0	2,600		
Fund Balance January 1,	(14,493)		(14,493)	(14,493)		
Fund Balance December 31	(14,493)		(14,493)	(11,893)		
#205 - COUNCILMANIC (LTGO) BONDS						
Revenue	1,018,662	0	1,018,662	1,024,812	6,150	0.60%
Expenditures						
Operating	1,018,662	0	1,018,662	1,016,412	(2,250)	(0.22%)
Transfers Out	0	0	0	0	0	#DIV/0!
Total Expenditures	1,018,662	0	1,018,662	1,016,412	(2,250)	(0.22%)
Revenues over (under) expenditures	0	0	0	8,400		
Fund Balance January 1,	19,446		19,446	19,446		
Fund Balance December 31	19,446		19,446	27,846		

	2008 Budget			2009 Budget	Difference	
	As Amended 6/12/2008	Amendments & Adjustments	Final		\$	%
CAPITAL PROJECTS FUNDS						
#301 - REAL ESTATE EXCISE TAX						
Revenue						
1st 1/4% R.E.E.T.	535,000	0	535,000	375,000	(160,000)	(29.91%)
Interest	10,000	0	10,000	100	(9,900)	(99.00%)
IAC Grant	141,857	0	141,857	0	(141,857)	(100.00%)
Total Revenues	686,857	0	686,857	375,100	(311,757)	(45.39%)
Expenditures						
Capital Outlay-Rotary Park	141,857	0	141,857	0	(141,857)	(100.00%)
Capital Outlay-Pioneer Park	100,000	0	100,000	0	(100,000)	(100.00%)
Capital Outlay	0	0	0	100,000	100,000	#DIV/0!
Debt Service	407,629	0	407,629	406,379	(1,250)	(0.31%)
Transfers Out - #308	500,000	0	500,000	0	(500,000)	(100.00%)
Total Expenditures	1,149,486	0	1,149,486	506,379	(643,107)	(55.95%)
Revenues over (under) expenditures	(462,629)	0	(462,629)	(131,279)		
Fund Balance January 1,	592,402		592,402	129,773		
Fund Balance December 31	129,773		129,773	(1,506)		
#303 - ICE ARENA RENOVATION						
Revenues	1,500	(559)	941	0	(941)	(100.00%)
Exp -Transfers out - #314	54,215	285	54,500	0	(54,500)	(100.00%)
Revenues over (under) expenditures	(52,715)	(844)	(53,559)	0		
Fund Balance January 1,	53,559		53,559	0		
Fund Balance December 31	844		0	0		

	2008 Budget			2009	Difference	
	As Amended 6/12/2008	Amendments & Adjustments	Final	Budget	\$	%
CAPITAL PROJECTS FUNDS - continued						
#308 - PUBLIC WORKS FACILITY CONSTRUCTION						
Revenues						
Transfers in - #109	0	200,000	200,000	0	(200,000)	(100.00%)
Transfers in - #301	500,000	0	500,000	0	(500,000)	(100.00%)
Total Revenue	500,000	200,000	700,000	0	(700,000)	(100.00%)
Expenditures	500,000	2,200,178	2,700,178	0	(2,700,178)	(100.00%)
Revenues over (under) expenditures	0	(2,000,178)	(2,000,178)	0		
Fund Balance January 1,	2,000,178		2,000,178	0		
Fund Balance December 31	2,000,178		0	0		
#309 - ORONDO BOAT MOORAGE						
Revenues						
Grants	453,800	(373,675)	80,125	393,407	313,282	390.99%
Interlocal - Port	86,667	(86,667)	0	200,000	200,000	#DIV/0!
Total Revenue	540,467	(460,342)	80,125	593,407	513,282	640.60%
Expenditures						
Capital	613,800	(536,924)	76,876	593,407	516,531	671.90%
Miscellaneous	0	0	0	0	0	#DIV/0!
Total Expenditures	613,800	(536,924)	76,876	593,407	516,531	671.90%
Revenues over (under) expenditures	(73,333)	76,582	3,249	0		
Fund Balance January 1,	(3,249)		(3,249)	0		
Fund Balance December 31	(76,582)		0	0		
#310 - FOOTHILLS TRAIL						
Revenues	152,043	(102,869)	49,174	122,869	73,695	149.87%
Expenditures	152,043	(111,043)	41,000	122,869	81,869	199.68%
Revenues over (under) expenditures	0	8,174	8,174	0		
Fund Balance January 1,	(8,174)		(8,174)	0		
Fund Balance December 31	(8,174)		0	0		
#311 - CITY HALL - HVAC/CHAMBER UPGRADES						
Revenues						
LTGO Bond Proceeds	0	0	0	0	0	#DIV/0!
Transfer in - #001	20,000	0	20,000	0	(20,000)	(100.00%)
Total Revenue	20,000	0	20,000	0	(20,000)	(100.00%)
Expenditures						
Capital Outlay	125,000	0	125,000	60,000	(65,000)	(52.00%)
Revenues over (under) expenditures	(105,000)	0	(105,000)	(60,000)		
Fund Balance January 1,	166,021		166,021	61,021		
Fund Balance December 31	61,021		61,021	1,021		

	2008 Budget			2009 Budget	Difference	
	As Amended 6/12/2008	Amendments & Adjustments	Final		\$	%
CAPITAL PROJECTS FUNDS - continued						
#312 - CONVENTION CENTER TECH UPGRADES						
Revenues						
LTGO Bond Proceeds	0	0	0	0	0	#DIV/0!
Expenditures						
Capital Outlay	703,290	0	703,290	0	(703,290)	(100.00%)
Revenues over (under) expenditures	(703,290)	0	(703,290)	0		
Fund Balance January 1,	703,290		703,290	0		
Fund Balance December 31	0		0	0		
#313 - EVENT CENTER - CERB GRANT						
Revenues						
CERB Grant	8,300,000	0	8,300,000	0	(8,300,000)	(100.00%)
Expenditures						
Capital Outlay	8,300,000	0	8,300,000	0	(8,300,000)	(100.00%)
Revenues over (under) expenditures	0	0	0	0		
Fund Balance January 1,	0		0	0		
Fund Balance December 31	0		0	0		
#314 - EVENT CENTER - CITY INVESTMENT						
Revenues						
Transfers in - #001	760,600	1,020,354	1,780,954	0	(1,780,954)	(100.00%)
Transfers in - #112	228,743	51,257	280,000	0	(280,000)	(100.00%)
Transfers in - #303	54,215	285	54,500	0	(54,500)	(100.00%)
Transfers in - #502	0	855,000	855,000	0	(855,000)	(100.00%)
Transfers in - #503	48,426	0	48,426	0	(48,426)	(100.00%)
Sale of Ice Arena	974,000	7,120	981,120	0	(981,120)	(100.00%)
Bank Loan	1,934,016	(1,934,016)	0	0	0	#DIV/0!
Total Revenue	4,000,000	0	4,000,000	0	(4,000,000)	(100.00%)
Expenditures	4,000,000	0	4,000,000	0	(4,000,000)	(100.00%)
Revenues over (under) expenditures	0	0	0	0		
Fund Balance January 1,	0		0	0		
Fund Balance December 31	0		0	0		

	2008 Budget			2009	Difference	
	As Amended 6/12/2008	Amendments & Adjustments	Final	Budget	\$	%
ENTERPRISE FUNDS						
<u>#401 - WATER / SEWER</u>						
Revenues:						
Operating	7,946,700	0	7,946,700	8,253,700	307,000	3.86%
Non-operating	306,400	0	306,400	239,300	(67,100)	(21.90%)
Bond / Loan Proceeds	0	0	0	0	0	#DIV/0!
Transfer in - #502	0	405,000	405,000	0	(405,000)	(100.00%)
Total Revenues	8,253,100	405,000	8,658,100	8,493,000	(165,100)	(1.94%)
Expenses:						
O & M	5,897,690	24,924	5,922,614	6,060,292	137,678	2.32%
Capital Outlay	3,490,000	(1,890,500)	1,599,500	4,395,000	2,795,500	174.77%
Transfers out - #503	18,000	0	18,000	0	(18,000)	(100.00%)
Transfers out - #505	12,500	0	12,500	3,000	(9,500)	(76.00%)
SRF Loan Interest	105,699	0	105,699	100,652	(5,047)	(4.77%)
SRF Loan Principal	334,184	0	334,184	339,231	5,047	1.51%
Bond Interest	411,038	0	411,038	362,405	(48,633)	(11.83%)
Bond Principal (12/1)	758,917	0	758,917	788,509	29,592	3.90%
Total Expenses	11,028,028	(1,865,576)	9,162,452	12,049,089	2,886,637	31.51%
Change in Net Working Capital	(2,774,928)	2,270,576	(504,352)	(3,556,089)		
Beginning Working Cap.	8,924,054		8,924,054	8,419,702		
Ending Working Cap.	6,149,126		8,419,702	4,863,613		
			1.43	1.53		
<u>#410 - STORM DRAIN UTILITY</u>						
Revenues:						
Operating	965,100	0	965,100	998,100	33,000	3.42%
Grant	0	33,000	33,000	0	(33,000)	(100.00%)
Miscellaneous	63,000	0	63,000	29,200	(33,800)	(53.65%)
Total Revenues	1,028,100	33,000	1,061,100	1,027,300	(33,800)	(3.19%)
Expenses:						
O&M	606,450	0	606,450	635,001	28,551	4.71%
Capital Outlay	780,000	(260,000)	520,000	495,000	(25,000)	(4.81%)
Bond Interest	104,651	0	104,651	97,581	(7,070)	(6.76%)
Bond Principal (12/1)	150,417	0	150,417	155,833	5,416	3.60%
Total Expenses	1,641,518	(260,000)	1,381,518	1,383,415	1,897	0.14%
Change in Net Working Capital	(613,418)	293,000	(320,418)	(356,115)		
Beginning Working Cap.	842,608		842,608	522,190		
Ending Working Cap.	229,190		522,190	166,075		
			1.65	1.55		

	2008 Budget			2009 Budget	Difference	
	As Amended 6/12/2008	Amendments & Adjustments	Final		\$	%
ENTERPRISE FUNDS - Continued						
#415 - REGIONAL WATER						
Revenues						
Operating	1,382,400	0	1,382,400	1,384,100	1,700	0.12%
Non-operating	58,000	0	58,000	44,400	(13,600)	(23.45%)
Transfer in - #502	0	195,000	195,000	0	(195,000)	(100.00%)
Total Revenues	1,440,400	195,000	1,635,400	1,428,500	(206,900)	(12.65%)
Expenses:						
O&M	485,307	2,769	488,076	496,378	8,302	1.70%
Capital Outlay	1,500,000	(1,354,000)	146,000	1,455,000	1,309,000	896.58%
Bond Interest	45,184	0	45,184	34,838	(10,346)	(22.90%)
Bond Principal (12/1)	344,833	0	344,833	355,242	10,409	3.02%
Transfers out - #503	0	0	0	10,000	10,000	#DIV/0!
Transfers out - #505	0	0	0	1,800	1,800	#DIV/0!
Total Expenses	2,375,324	(1,351,231)	1,024,093	2,353,258	1,329,165	129.79%
Change in Net Working Capital	(934,924)	1,546,231	611,307	(924,758)		
Beginning Working Cap.	1,524,256		1,524,256	2,135,563		
Ending Working Cap.	589,332		2,135,563	1,210,805		
Bond Coverage			2.44	2.39		
#420 - SOLID WASTE						
Revenues	1,782,500	0	1,782,500	1,853,200	70,700	3.97%
Expenses						
O & M	1,759,570	0	1,759,570	1,831,870	72,300	4.11%
Transfers Out	0	0	0	0	0	#DIV/0!
Total Expenses	1,759,570	0	1,759,570	1,831,870	72,300	4.11%
Change in Net Working Capital	22,930	0	22,930	21,330		
Beginning Working Cap.	152,939		152,939	175,869		
Ending Working Cap.	175,869		175,869	197,199		
#430 - CEMETERY						
Revenues						
Operating	185,000	0	185,000	190,000	5,000	2.70%
Miscellaneous	6,000	0	6,000	2,400	(3,600)	(60.00%)
Transfers In - #001 for operations	47,204	0	47,204	60,000	12,796	27.11%
Transfers In - #001 for capital	5,000	0	5,000	0	(5,000)	(100.00%)
Transfers in - #502	0	45,000	45,000	0	(45,000)	(100.00%)
Total Revenues	243,204	45,000	288,204	252,400	(35,804)	(12.42%)
Expenses:						
O & M	278,845	0	278,845	277,964	(881)	(0.32%)
Transfers out - #505	0	0	0	0	0	#DIV/0!
Capital Outlay	5,000	0	5,000	40,000	35,000	700.00%
Total Expenses	283,845	0	283,845	317,964	34,119	12.02%
Change in Net Working Capital	(40,641)	45,000	4,359	(65,564)		
Beginning Working Cap.	105,865		105,865	110,224		
Ending Working Cap.	65,224		110,224	44,660		

	2008 Budget			2009	Difference	
	As Amended 6/12/2008	Amendments & Adjustments	Final	Budget	\$	%
INTERNAL SERVICE FUNDS						
#501 - CITY SERVICES - Equip. O&M						
Revenues						
Operating	768,424	0	768,424	875,624	107,200	13.95%
Fire truck replacement	96,340	0	96,340	0	(96,340)	(100.00%)
Non-operating	36,500	0	36,500	22,800	(13,700)	(37.53%)
Total Revenue	901,264	0	901,264	898,424	(2,840)	(0.32%)
Expenses:						
O & M	805,828	100,000	905,828	902,791	(3,037)	(0.34%)
Capital Outlay	12,000	0	12,000	10,000	(2,000)	(16.67%)
Transfer out - #505	12,500	0	12,500	0	(12,500)	(100.00%)
Total Expenses	830,328	100,000	930,328	912,791	(17,537)	(1.89%)
Change in Net Working Capital	70,936	(100,000)	(29,064)	(14,367)		
Beginning Working Cap.	332,342		332,342	303,278		
Ending Working Cap.	403,278		303,278	288,911		
#503 - CITY SERVICES - Equip. Replacement						
Revenues						
Operating	496,244	0	496,244	236,130	(260,114)	(52.42%)
Non-operating	65,000	0	65,000	25,200	(39,800)	(61.23%)
Transfers in - #001	111,540	0	111,540	0	(111,540)	(100.00%)
Transfers in - #106	15,200	0	15,200	0	(15,200)	(100.00%)
Transfers in - #108	43,100	0	43,100	0	(43,100)	(100.00%)
Transfers in - #401	18,000	0	18,000	0	(18,000)	(100.00%)
Transfers in - #415	0	0	0	10,000	10,000	#DIV/0!
Transfers in - #504	3,800	0	3,800	0	(3,800)	(100.00%)
Total Revenue	752,884	0	752,884	271,330	(481,554)	(63.96%)
Expenses:						
O & M	36,300	0	36,300	39,039	2,739	7.55%
Capital Outlay	553,842	346,942	900,784	385,926	(514,858)	(57.16%)
Transfer out - #314	48,426	0	48,426	0	(48,426)	(100.00%)
Total Expenses	638,568	346,942	985,510	424,965	(560,545)	(56.88%)
Change in Net Working Capital	114,316	(346,942)	(232,626)	(153,635)		
Beginning Working Cap.	1,102,772		1,102,772	870,146		
Ending Working Cap.	1,217,088		870,146	716,511		

	2008 Budget			2009 Budget	Difference	
	As Amended 6/12/2008	Amendments & Adjustments	Final		\$	%
INTERNAL SERVICE FUNDS - Continued						
<u>#504 - CITY SERVICES - Facilities</u>						
Revenues						
Operating	330,196	0	330,196	331,481	1,285	0.39%
Child Care Center Rent	6,300	0	6,300	6,300	0	0.00%
Non-operating	2,500	0	2,500	5,400	2,900	116.00%
Transfer in - #001	0	0	0	0	0	#DIV/0!
Total Revenue	338,996	0	338,996	343,181	4,185	1.23%
Expenses:						
O & M	327,853	0	327,853	333,718	5,865	1.79%
Transfers out - #503	3,800	0	3,800	0	(3,800)	(100.00%)
Transfer out - #505	10,000	0	10,000	0	(10,000)	(100.00%)
Capital Outlay	40,000	60,000	100,000	0	(100,000)	(100.00%)
Total Expenses	381,653	60,000	441,653	333,718	(107,935)	(24.44%)
Change in Net Working Capital	(42,657)	(60,000)	(102,657)	9,463		
Beginning Working Cap.	142,892		142,892	40,235		
Ending Working Cap.	100,235		40,235	49,698		
<u>#502 - SELF - INSURANCE</u>						
Revenues:						
Property/Casualty	1,074,200	0	1,074,200	1,068,200	(6,000)	(0.56%)
Interest	105,000	0	105,000	65,000	(40,000)	(38.10%)
Total Revenue	1,179,200	0	1,179,200	1,133,200	(46,000)	(3.90%)
Expenses:						
Insurance Premiums	606,800	0	606,800	609,700	2,900	0.48%
Payments to Claimants/Misc	105,000	0	105,000	105,000	0	0.00%
Transfers out - #314	0	855,000	855,000	0	(855,000)	(100.00%)
Transfers out - #401	0	405,000	405,000	0	(405,000)	(100.00%)
Transfers out - #415	0	195,000	195,000	0	(195,000)	(100.00%)
Transfers out - #430	0	45,000	45,000	0	(45,000)	(100.00%)
Total Expenses	711,800	1,500,000	2,211,800	714,700	(1,497,100)	(67.69%)
Change in Net Working Capital	467,400	(1,500,000)	(1,032,600)	418,500		
Beginning Working Cap.	2,517,058		2,517,058	1,484,458		
Ending Working Cap.	2,984,458		1,484,458	1,902,958		

	2008 Budget			2009 Budget	Difference	
	As Amended	Amendments	Final		\$	%
	6/12/2008	& Adjustments				
INTERNAL SERVICE FUNDS - Continued						
#505 - INFORMATION TECHNOLOGY						
Revenues						
Operating	833,560	0	833,560	875,900	42,340	5.08%
Interest income	15,000	0	15,000	9,500	(5,500)	(36.67%)
Cable TV Capital Contributions	0	0	0	1,500	1,500	#DIV/0!
Transfers In - #001	62,685	0	62,685	0	(62,685)	(100.00%)
Transfers In - #106	0	0	0	0	0	#DIV/0!
Transfers In - #108	12,500	0	12,500	4,600	(7,900)	(63.20%)
Transfers In - #114	0	0	0	1,300	1,300	#DIV/0!
Transfers In - #401	12,500	0	12,500	3,000	(9,500)	(76.00%)
Transfers In - #415	0	0	0	1,800	1,800	#DIV/0!
Transfers In - #430	0	0	0	0	0	#DIV/0!
Transfers In - #501	12,500	0	12,500	0	(12,500)	(100.00%)
Transfers In - #504	10,000	0	10,000	0	(10,000)	(100.00%)
Total Revenue	958,745	0	958,745	897,600	(61,145)	(6.38%)
Expenses:						
O & M	905,947	0	905,947	892,281	(13,666)	(1.51%)
Capital Outlay	211,500	0	211,500	25,000	(186,500)	(88.18%)
Total Expenses	1,117,447	0	1,117,447	917,281	(200,166)	(17.91%)
Change in Net Working Capital	(158,702)	0	(158,702)	(19,681)		
Beginning Working Cap.	284,230		284,230	125,528		
Ending Working Cap.	125,528		125,528	105,847		

	2008 Budget			2009	Difference	
	As Amended 6/12/2008	Amendments & Adjustments	Final	Budget	\$	%
FIDUCIARY FUNDS						
#610 - CEMETERY TRUST						
Revenues	43,000	0	43,000	28,000	(15,000)	(34.88%)
Expenses	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	0	#DIV/0!
Revenues over (under) expenditures	43,000	<u>0</u>	43,000	28,000		
Fund Balance January 1,	<u>729,946</u>		<u>729,946</u>	<u>772,946</u>		
Fund Balance December 31	<u><u>772,946</u></u>		<u><u>772,946</u></u>	<u><u>800,946</u></u>		
#611 - FIREMEN'S PENSION						
Revenues						
Property taxes	452,600	(452,600)	0	0	0	#DIV/0!
Fire Insurance Premium	25,300		25,300	28,000	2,700	10.67%
Miscellaneous	<u>155,000</u>	<u>0</u>	<u>155,000</u>	<u>80,800</u>	<u>(74,200)</u>	<u>(47.87%)</u>
Total Revenue	<u>632,900</u>	<u>(452,600)</u>	<u>180,300</u>	<u>108,800</u>	<u>(71,500)</u>	<u>(39.66%)</u>
Expenses						
Operating	148,800	0	148,800	152,200	3,400	2.28%
Transfers out - #001	<u>0</u>	<u>0</u>	<u>0</u>	<u>358,000</u>	<u>358,000</u>	<u>#DIV/0!</u>
Total Expenses	<u>148,800</u>	<u>0</u>	<u>148,800</u>	<u>510,200</u>	<u>361,400</u>	<u>242.88%</u>
Revenues over (under) expenditures	484,100	<u>(452,600)</u>	31,500	(401,400)		
Fund Balance January 1,	<u>3,460,370</u>		<u>3,460,370</u>	<u>3,491,870</u>		
Fund Balance December 31	<u><u>3,944,470</u></u>		<u><u>3,491,870</u></u>	<u><u>3,090,470</u></u>		

City of Wenatchee Full Time Equivalent Employee Comparison

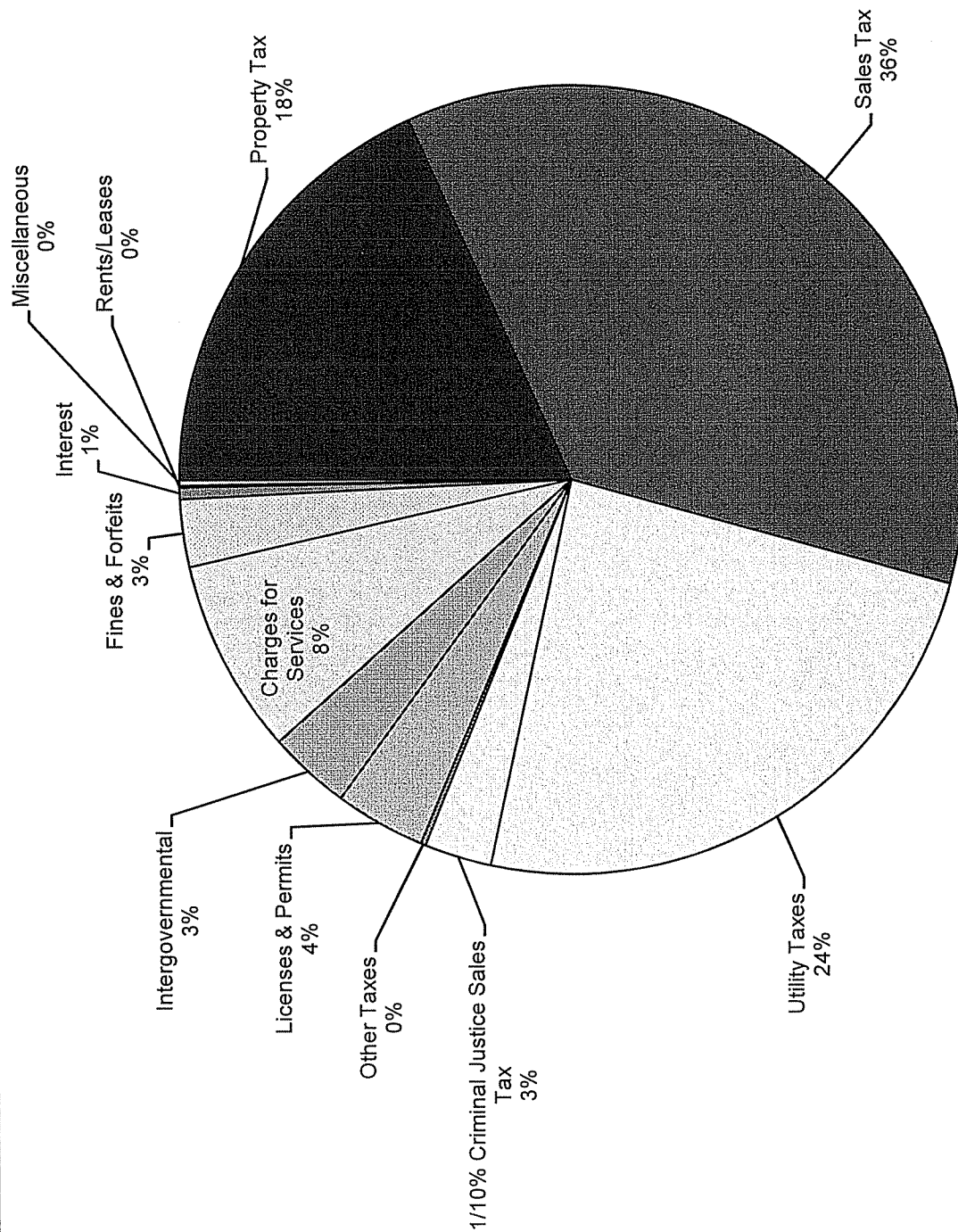
	2000 Budget	2001 Budget	2002 Budget	2003 Budget	2004 Budget	2005 Budget	2006 Budget	2007 Budget	2008 Budget	2009 Budget	
General Fund											
Excluding Public Safety											
Mayor's Office	2.00	3.00	3.00	3.00	3.00	3.000	3.000	4.500	4.500	3.830	(1)
City Administrator	1.00	0.00	0.00	0.00	0.00	0.000	0.000	0.000	0.000	0.000	
Finance	11.00	11.00	10.50	10.50	10.50	10.500	11.500	11.500	11.000	11.000	
Human Resources	2.00	2.00	2.00	2.00	2.00	2.000	2.000	2.000	2.000	2.000	
Code Enforcement	5.00	5.00	4.00	4.00	4.00	4.000	4.000	4.000	4.000	6.000	(2)
Planning	6.00	6.00	6.00	6.00	6.00	6.000	5.640	8.040	8.020	6.020	(2)
Engineering	7.80	6.75	5.75	5.25	5.10	5.375	5.375	5.525	5.250	5.250	
Parks & Recreation	11.05	11.05	10.10	0.00	0.00	0.000	0.000	0.000	0.000	0.000	
Recreation & Swimming Pool	0.00	0.00	0.00	2.35	2.35	2.350	2.850	3.225	3.600	3.600	
Park Maintenance	0.00	0.00	0.00	7.55	7.55	7.575	7.575	7.575	7.450	7.450	
Museum	7.50	7.00	6.00	4.80	4.80	4.800	5.800	6.000	6.000	6.000	
Total excluding public safety	53.35	51.80	47.35	45.45	45.30	45.600	47.740	52.365	51.820	51.150	
Fire											
Fire Administration	2.50	2.50	2.00	2.00	2.00	2.000	2.000	2.000	2.000	2.000	
Firefighters	32.00	33.00	34.00	34.00	34.00	34.000	34.000	34.000	34.000	34.000	
Fire-911 Dispatchers	0.00	0.00	0.00	0.00	0.00	0.000	0.000	0.000	0.000	0.000	
Total Fire Department	34.50	35.50	36.00	36.00	36.00	36.000	36.000	36.000	36.000	36.000	
Police											
Police Officers	** 36.00	38.00	39.00	39.00	40.00	40.000	40.000	42.000	42.000	44.000	(3)
Admin. Support	1.00	1.00	1.00	1.00	1.00	1.000	1.000	1.000	1.000	1.000	
Parking Enforcement	1.00	1.00	1.00	1.00	1.00	1.000	1.000	1.000	1.000	1.000	
Dispatch & Records Supervisor	1.00	1.00	1.00	1.00	1.00	1.000	1.000	1.000	1.000	1.000	
Clerks/Records/Evidence	5.00	6.00	5.00	5.00	6.00	7.000	8.000	8.000	8.000	8.000	
Dispatchers	13.00	13.00	14.00	13.00	6.50	0.000	0.000	0.000	0.000	0.000	
Total Police Department	57.00	60.00	61.00	60.00	55.50	50.000	51.000	53.000	53.000	55.000	
General Fund Total	144.85	147.30	144.35	141.45	136.80	131.600	134.740	141.365	140.820	142.150	
All Other Funds											
Criminal Justice Fund	** 2.00	2.00	0.00	0.00	0.00	0.000	0.000	0.000	0.000	0.000	
Convention Center Fund	1.15	1.35	1.35	1.30	1.30	1.800	1.875	2.125	2.100	2.100	
Streets Fund	12.10	12.10	12.10	11.80	11.80	11.000	11.900	12.800	13.000	13.080	(4)
Ice Arena Fund	0.95	0.95	0.90	0.75	0.75	0.750	0.750	0.375	0.000	0.000	
Housing Rehabilitation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.270	0.000	0.000	
Community Center Operations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.500	0.950	1.000	
CDBG Entitlement	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.230	0.050	0.000	
Water/Sewer Fund	22.80	22.35	22.35	22.15	23.15	23.400	23.400	24.050	25.200	25.070	(4)
Regional Water Fund	1.45	1.45	1.45	1.45	1.55	1.450	1.450	1.450	1.450	1.500	(4)
Sanitation Fund	0.00	0.00	0.00	0.00	0.00	0.000	0.000	0.000	0.000	0.000	
Storm Drain Fund	0.10	0.10	0.10	0.10	0.15	2.350	1.450	1.850	2.300	2.300	
Cemetery Fund	3.00	2.00	2.00	2.05	2.05	2.050	2.050	2.050	2.050	2.050	
Equip Rental - O & M Fund	3.65	3.65	3.65	3.65	3.65	3.700	3.500	3.800	3.750	3.750	
Equip Rental - Replacement Fund	0.25	0.25	0.25	0.15	0.15	0.200	0.250	0.450	0.440	0.440	
Facilities Maintenance Fund	2.20	2.00	2.00	1.95	1.95	2.500	2.575	2.825	2.710	2.710	
Data Processing Fund	2.00	2.00	2.00	2.00	2.00	2.500	4.000	4.000	4.000	4.000	
Columbia River Drug Task Force Fund											
Police Officers	** 1.00	1.00	1.00	1.00	1.00	1.000	0.000	0.000	0.000	0.000	
Admin. Support	1.00	1.00	1.00	1.00	1.00	1.000	0.000	0.000	0.000	0.000	
Total excluding general fund	53.65	52.20	50.15	49.35	50.50	53.700	53.200	56.775	58.000	58.000	
Total Full Time Equivalent Employees	198.50	199.50	194.50	190.80	187.30	185.300	187.940	198.140	198.820	200.150	
** Total police officers	39.00	41.00	40.00	40.00	41.00	41.00	40.00	42.00	42.00	44.00	

FTE Changes from 2008 Budget Adoption to 2009 Budget Request

- (1) Reflects an increase of 3 hours per week (from 32 to 35) for the Administrative Assistant = +.08 FTE.
Reflects the elimination of the Project Manager overseeing the Event Center construction = -.75 FTE.
- (2) Reflects the reallocation of 2 Planning Department FTEs to the Code Enforcement Department.
- (3) Reflects the addition of 2 police officers in mid-2008.
- (4) Reflects the redistribution of position responsibilities between funds. Net change in FTEs is 0.00.

CITY OF WENATCHEE, WA**Analysis of 2009 General Fund Budget*****Recurring Revenues***

Source	Amount	% of Total	
Property Tax	3,962,700	18.3%	} 78.4%
Sales Tax	7,794,000	36.0%	
Utility Taxes	5,228,100	24.1%	
1/10% Criminal Justice Sales Tax	600,000	2.8%	
Other Taxes	44,000	0.2%	
Licenses & Permits	809,000	3.7%	
Intergovernmental	736,000	3.4%	
Charges for Services	1,733,450	8.0%	
Fines & Forfeits	600,000	2.8%	
Interest	100,500	0.5%	
Rents/Leases	15,900	0.1%	
Miscellaneous	51,100	0.1%	
Total	<u>21,674,750</u>	<u>100.0%</u>	



CITY OF WENATCHEE, WA
Analysis of 2009 General Fund Budget
Recurring Expenditures

Payroll related expenditures

Wages	9,333,870	43.1%
PR Taxes	719,227	3.3%
Medical/Life Insurance	1,792,785	8.3%
Retirement	582,430	2.7%
Deferred Compensation	138,810	0.6%
Overtime	374,350	1.7%
Part-time/Temporary Employees	158,110	0.7%
Holiday Pay (fire)	80,300	0.4%
Total payroll related	<u>13,179,882</u>	<u>60.8%</u>

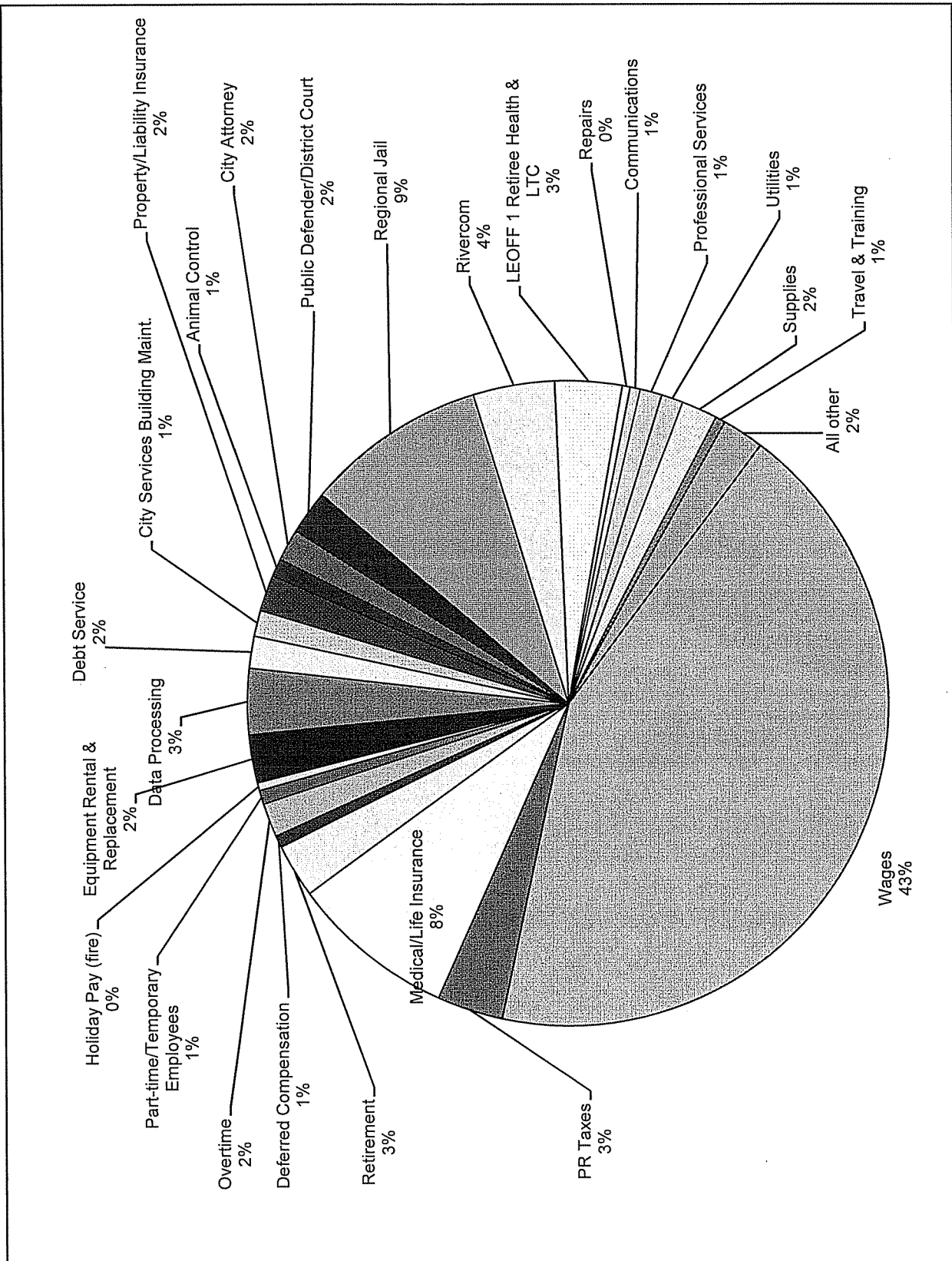
OT	
Fire	145,000
Police	203,200
	<u>348,200</u>

Part-time	
Rec	65,150
Pool	52,060
Parks	32,000
Engineer	8,900
	<u>158,110</u>

Non-payroll related expenditures

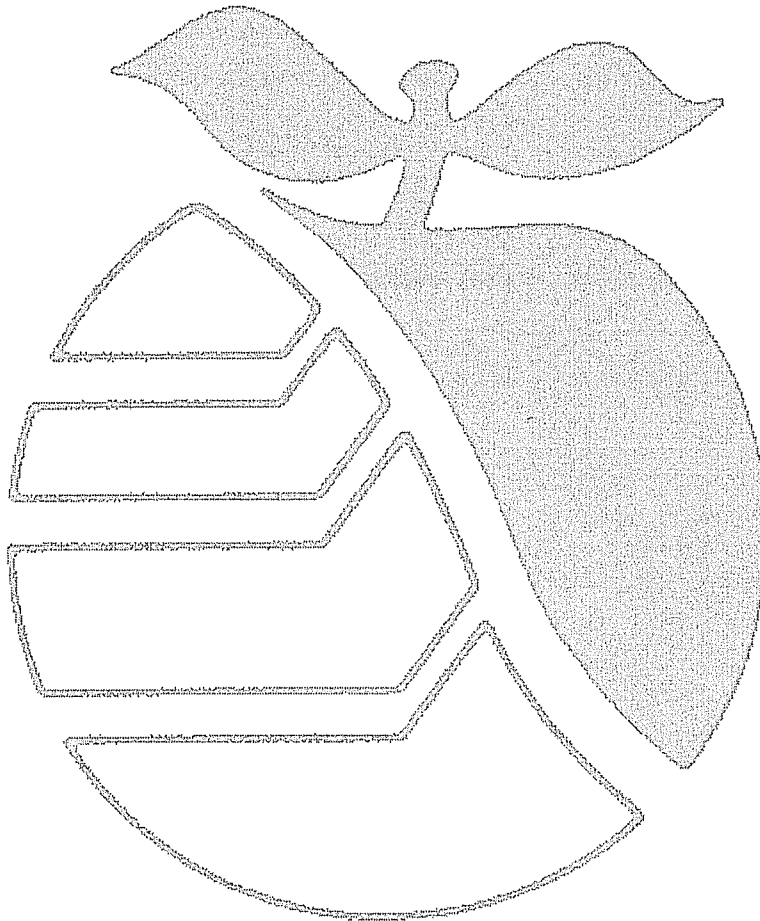
Equipment Rental & Replacement	512,492	2.4%
Data Processing	710,720	3.3%
Debt Service	342,665	1.6%
City Services Building Maint.	281,800	1.3%
Property/Liability Insurance	398,700	1.8%
Animal Control	199,900	0.9%
City Attorney	340,200	1.6%
Public Defender/District Court	468,700	2.2%
Regional Jail	1,964,000	9.1%
Rivercom	889,100	4.1%
LEOFF 1 Retiree Health Ins & LTC.	731,500	3.4%
Repairs	83,755	0.4%
Communications	108,768	0.5%
Professional Svc.	233,654	1.1%
Utilities	238,200	1.1%
Supplies	384,284	1.8%
Travel & Training	99,920	0.5%
All other	503,088	2.6%
Total non-payroll related	<u>8,491,446</u>	<u>39.7%</u>

Total Recurring Expenditures	<u>21,671,328</u>	<u>100.0%</u>
------------------------------	-------------------	---------------



This page left intentionally blank.

Part 5. Capital Facilities Plan



Included in this portion of the 2009 Budget document is a detailed description of the City of Wenatchee's capital facilities plan.

Pages 2 through 8 of this section include those specific capital expenditures that are included in the City's 2009 Budget:

- Page 2 of this section reflects a summary of capital awards sorted by fund and categorized by type of purchase.
- Pages 3 of this section reflect a detailed description of general equipment purchases.
- Page 4 reflects scheduled replacements of portions of the City's fleet of vehicles.
- Page 5 reflects additional requests for, and awards of vehicles into the City's fleet. Also included is the City fund that will provide the financing for the purchase.
- Page 6 reflects additional requests for, and awards of information technology (IT) equipment that is in use throughout the various City departments. Also included is the City fund that will provide the financing for the purchase.
- Pages 7 & 8 reflect capital construction projects.

The remainder of this section contains the City of Wenatchee Capital Facilities Plan for the years 2008-2013 that was adopted by the City Council on September 11, 2008.

CITY OF WENATCHEE, WA
2009 Budget
Capital Outlay Requests

		Equipment and Repairs	ERR Scheduled Equip Replace.	ERR Additional Equip Acquisition	IT Equip. Requests	Capital Facilities Plan	Total Requests Currently in 2009 Budget	Not in Budget at this Time
	001							
General Fund								
Mayor/Council		0	0	0	0	150,000	150,000	0
Planning		0	0	0	0	0	0	0
Engineering		0	0	0	0	0	0	0
Recreation		0	0	0	0	0	0	29,500
Museum		0	0	0	0	0	0	0
Park Maintenance		0	0	0	0	0	0	0
Fire		0	0	0	0	0	0	0
Police		0	0	0	0	0	0	0
		0	0	0	0	150,000	150,000	29,500
Public Art	101	19,536	0	0	0	0	19,536	0
Convention Center	106	75,000	0	0	0	0	75,000	0
Street O&M	108	0	0	0	0	90,000	90,000	0
Arterial Streets	109	0	0	0	0	9,887,427	9,887,427	0
Street Overlay	111	0	0	0	0	350,000	350,000	0
CDBG Entitlement Fund	115	0	0	0	0	76,891	76,891	0
1st 1/4% REET	301	0	0	0	0	100,000	100,000	0
Fire Station		0	0	0	0	0	0	15,123,000
Orondo Moorage	309	0	0	0	0	593,407	593,407	0
Foothills Trail Fund	310	0	0	0	0	122,869	122,869	0
City Hall-HVAC/Chambers	311	0	0	0	0	60,000	60,000	0
Water/Sewer	401	90,000	0	0	0	4,395,000	4,395,000	0
Storm Drain	410	0	0	0	0	495,000	495,000	0
Regional Water	415	0	0	0	0	1,455,000	1,455,000	0
Cemetery	430	0	0	0	0	40,000	40,000	0
Equip. Replacement O&M	501	10,000	0	0	0	0	10,000	0
Equip. Replacement	503	0	355,926	30,000	0	0	385,926	91,721
Information Technology	505	0	0	0	25,000	0	25,000	266,000
Total requests by type		194,536	355,926	30,000	25,000	17,725,594	18,331,056	15,510,221

CITY OF WENATCHEE, WA

12/4/2008

2009 Budget

GENERAL EQUIPMENT AND REPAIR COSTS

General Fund**Recreation**

- Parks Regulatory Signs
- Parks Recycling Stations

Requested	Adjustments	Awards as of 12/11/2008
8,500	(8,500)	0
21,000	(21,000)	0
<u>29,500</u>	<u>(29,500)</u>	<u>0</u>

Special Rev. Funds**Fund 101 Public Art Fund**

- Art in Public Places

<u>19,536</u>	<u>0</u>	<u>19,536</u>
---------------	----------	---------------

Fund #106 - Convention Center Fund

- Miscellaneous annual equipment replacement/upgrades

<u>75,000</u>	<u>0</u>	<u>75,000</u>
---------------	----------	---------------

Proprietary Funds**Fund #401 Water/Sewer**Water Division

- Security Cameras at City Facilities
- Total water

<u>90,000</u>	<u>0</u>	<u>90,000</u>
<u>90,000</u>	<u>0</u>	<u>90,000</u>

Sewer Division

- n/a
- Total sewer
- Total Fund 401

<u>0</u>	<u>0</u>	<u>0</u>
<u>0</u>	<u>0</u>	<u>0</u>
<u>90,000</u>	<u>0</u>	<u>90,000</u>

Fund #501 - Equipment Rental O&M

- Four-Post Lube Hoist

<u>10,000</u>	<u>0</u>	<u>10,000</u>
---------------	----------	---------------

Total 2009 General Equipment and Repair Requests

<u>224,036</u>	<u>(29,500)</u>	<u>194,536</u>
----------------	-----------------	----------------

CITY OF WENATCHEE, WA
2009 Budget
City Services - Equipment Replacement Fund

12/4/2008

SCHEDULED EQUIPMENT REPLACEMENTS

	Requested	Adjustments	Awards as of 12/11/2008
General Fund			
Police Department (503.0000.001.594.48.64.01)			
- 1-5 Full size sedan patrol (2005 Chevy Impala)	31,022	8,739	39,761
- Set-up of police equipment	11,800	15,842	27,642
	42,822	24,581	67,403
Engineering (503.0000.001.594.48.64.02)			
- 2-10 Survey equipment	15,715	(15,715)	0
Museum (503.0000.001.594.48.64.10)			
- 10-11 1/2 ton pickup (1990 Chevy 1500)	30,271	(589)	29,682
Total General Fund Replacements	88,808	8,277	97,085
Street Fund (503.0000.001.594.48.64.07)			
- Hooded Weed Spraying Boom	6,000	0	6,000
- 7-10S 10 CY Sander (1989 10yd Swenson Sander)	19,000	(481)	18,519
- 7-12S 10 CY Sander (1989 10yd Swenson Sander)	21,743	(411)	21,332
- 7-23.1 Sprayer	7,319	(155)	7,164
- 7-24 Paver (1987 Layton Paver)	36,362	(563)	35,799
- 7-30 Used Grader (1969 Gallion Grader)	100,000	0	100,000
- Mini Grader	20,000	0	20,000
- 7-19 1/2 Ton Truck w/ Service Body(1995 Chevy Cargo Var	27,388	(27,388)	0
Total Street Fund Replacements	237,812	(28,998)	208,814
Regional Water (503.0000.001.594.48.64.04)			
- 4-13 1/2 Ton Pickup Truck for regional (1999 Dodge)	30,027	0	30,027
Cemetery (503.0000.001.594.48.64.09)			
- 9-4B Snow Blower for 9-4	10,000	0	10,000
Miscellaneous (503.0000.001.594.48.64.00)			
- Fleet repair and incidental maintenance	10,000	0	10,000
Total 2009 Scheduled Equipment Replacements	376,647	(20,721)	355,926
Sources of Financing			
- Transfer in from Regional Water Fund #415	10,000	0	10,000
- ER&R Fund #503 reserves	366,647	(20,721)	345,926
	376,647	(20,721)	355,926

CITY OF WENATCHEE, WA
 2009 Budget
 City Services - Vehicle Replacement Fund

12/4/2008

ADDITIONAL VEHICLE REQUESTS

	Requested	Adjustments	Awards as of 12/11/2008
General Fund			
Recreation Department			
(503.0000.001.594.48.64.08 - Parks)			
- Electric utility vehicle	25,000	(25,000)	0
- Station Wagon	18,000	(18,000)	0
- Administrative Vehicle	28,000	(28,000)	0
	<u>71,000</u>	<u>(71,000)</u>	<u>0</u>
City Svc - Equip. Replace.			
Shop			
(503.0000.001.594.48.64.05-Shop)			
- Motor Pool Hybrid vehicle for City-Wide use	30,000	0	30,000
	<u>30,000</u>	<u>0</u>	<u>30,000</u>
Total 2009 Additional Vehicle Requests	101,000	(71,000)	30,000
Sources of Financing			
- Transfer in from General Fund #001	71,000	(71,000)	0
- ER&R Fund #503 reserves	30,000	0	30,000
	<u>101,000</u>	<u>(71,000)</u>	<u>30,000</u>

CITY OF WENATCHEE, WA

12/4/2008

2009 Budget

Information Technology Equipment and Capital Requests

			Requested	Adjustments	Awards as of 12/11/2008
Hardware & Software					
505 .0000.001.518.80.64.30					
114	Community Center Fund	Wireless access points	1,300	0	1,300
001	General Fund	Engineering - 1 PC & Monitor	2,800	(2,800)	0
001	General Fund	Engineering - 2 laptops	1,200	(1,200)	0
001	General Fund	Fire - 1 laptop	3,000	(3,000)	0
001	General Fund	Museum - Adobe InDesign	3,100	(3,100)	0
001	General Fund	Museum - AutoCAD LT	1,300	(1,300)	0
001	General Fund	Museum - TMS license	2,500	(2,500)	0
001	General Fund	Rec/Pool - Credit/Debit card reader	600	(600)	0
001	General Fund	Rec/Pool - LANDWorks CAD	3,800	(3,800)	0
001	General Fund	Rec/Pool - 1 PC & Monitor	1,500	(1,500)	0
001	General Fund	Rec/Pool - Slideshow module	5,000	(5,000)	0
001	General Fund	Rec/Pool - Webcam	5,000	(5,000)	0
001	General Fund	Park Maint - 1 PC & Monitor	1,500	(1,500)	0
	Multiple funds	PW - Wireless access points	1,000	(1,000)	0
415	Regional Water Fund	1 ruggedized laptop	1,800	0	1,800
108	Street Fund	AutoCAD LT	1,300	0	1,300
108	Street Fund	1 PC & Monitor	1,500	0	1,500
108	Street Fund	1 PC w/dual monitors	1,800	0	1,800
401	Water/Sewer Fund	Laser printer	3,000	0	3,000
Total equipment			43,000	(32,300)	10,700
Capital					
505 .0000.001.594.10.64.00					
	Multiple funds	Document imaging software	100,000	(100,000)	0
001	General Fund	ArcServer GIS	35,000	(35,000)	0
505	IT Fund	E-mail archival system	20,000	0	20,000
505	IT Fund	Electronic card access	5,000	0	5,000
001	General Fund	Mayor/Council - Granicus	40,000	(40,000)	0
001	General Fund	Museum - Point of Sale & Ticketing	41,000	(41,000)	0
001	General Fund	Rec/Pool - registration system	50,000	(50,000)	0
Total capital			291,000	(266,000)	25,000
Total Equipment and Capital			334,000	(298,300)	35,700
Sources of Funding					
001 .0000.001.597.00.00.00	General Fund		280,560	(280,560)	0
106 .0000.001.597.00.00.00	Convention Center Fund		1,110	(1,110)	0
108 .0000.001.597.00.00.00	Street Fund		6,270	(1,670)	4,600
114 .0000.001.597.00.00.00	Community Center Operations Func		1,860	(560)	1,300
401 .0000.001.597.00.00.00	Water/Sewer Fund		12,940	(9,940)	3,000
415 .0000.001.597.00.00.00	Regional Water Fund		3,470	(1,670)	1,800
430 .0000.001.597.00.00.00	Cemetery Fund		560	(560)	0
501 .0000.001.597.00.00.00	City Svc.-Equip. O&M Fund		1,670	(1,670)	0
504 .0000.001.597.00.00.00	City Svc.-Equip. Replace. Fund		560	(560)	0
Total from requesting funds			309,000	(298,300)	10,700
Total from IT reserves			25,000	0	25,000
Total sources of funding			334,000	(298,300)	35,700

CITY OF WENATCHEE, WA
2009 Budget
CAPITAL FACILITIES PLAN

12/4/2008

	Requested	Adjustments	Awards as of 12/11/2008	Account Number
General Fund				
<u>Council</u>				
- Broadview Road Access	150,000	0	150,000	001.020.594.09.63
Street Fund				
- Snowmelt Facility - Phase II Development	50,000	0	50,000	
- CBD Stamped Crosswalks	40,000	0	40,000	
	90,000	0	90,000	108.001.595.61.63
Arterial Street Fund				
- Riverside Drive	8,239,321	0	8,239,321	
- Audible Pedestrian Signals	86,349	0	86,349	
- Washington-Miller Signal	349,926	0	349,926	
- McKittrick Signal	529,429	0	529,429	
- Brick Streets	4,227	0	4,227	
South Wenatchee Avenue	250,175	0	250,175	
North Wenatchee Turn Lane	378,000	0	378,000	
- Miscellaneous / Minor	50,000	0	50,000	
	9,887,427	0	9,887,427	109.001.595.30.63
Street Overlay Fund				
- Street Overlay	350,000	0	350,000	111.001.594.42.63
CDBG Entitlement Fund				
<u>Parks & Recreation</u>				
- Replacement of Pennsylvania Play Area	76,891	0	76,891	115.001.594.59.63
1st 1/4% R.E.E.T.				
- Acquisition of Park Site & Community Building	100,000	0	100,000	301.001.594.16.63
Fire Department Const. Fund				
- Fire Station / Training Facility Construction	15,123,000	(15,123,000)	0	
Orondo Moorage and Parking				
- Orondo Moorage & Parking Project	593,407	0	593,407	309.001.594.76.62
Foothills Trail Fund				
- Foothills Trails Project-IAC/RCO Grant	122,869	0	122,869	310.001.595.76.63
City Hall - HVAC / Chambers				
- HVAC	60,000	0	60,000	311.001.594.09.63
Water / Sewer Fund				
<u>Water Division</u>				
- 6-year update to Water System Comp Plan	88,000	0	88,000	
- 2M & 8m gallon Reservoir Coating & Repair	227,000	0	227,000	
- Misc Water Main Replacements	100,000	0	100,000	
- Riverside Drive Water Improvements	627,000	0	627,000	
Total Water Division	1,042,000	0	1,042,000	401.001.594.34.63

CITY OF WENATCHEE, WA
2009 Budget
CAPITAL FACILITIES PLAN

12/4/2008

	Requested	Adjustments	Awards as of 12/11/2008	Account Number
Sewer Division				
- Olds Station Lift Station/Piping Improvements	1,010,000	0	1,010,000	
- Worthen Street Sidewalk & Drainage	200,000	0	200,000	
- Influent pumps	155,000	0	155,000	
- WWTP Odor Control & Visual Mitigation	1,200,000	0	1,200,000	
- WWTP Digester Cleaning & Evaluation	190,000	0	190,000	
- Misc Sewer Main Replacement	100,000	0	100,000	
- River Park Lift Station Constrution	408,000	0	408,000	
Total Sewer Division	3,263,000	0	3,263,000	401.001.594.35.63
Total Water/Sewer Fund	4,305,000	0	4,305,000	
Storm Drain Fund				
- Stormwater Comprehensive Plan	130,000	0	130,000	
- Linden Tree Outfall	315,000	0	315,000	
- Misc. Drainage Improvements	50,000	0	50,000	410.001.594.38.63
	495,000	0	495,000	
Regional Water Fund				
- Regional WaterComprehensive Plan Update	66,000	0	66,000	
- Regional Disinfection Facility	539,000	0	539,000	
- Fifth Well	850,000	0	850,000	415.001.594.34.63
	1,455,000	0	1,455,000	
Cemetery Fund				
- Section O- Upright Grave Development	40,000	0	40,000	430.001.594.36.63
Total Capital Facilities Plan	32,848,594	(15,123,000)	17,725,594	

This page left intentionally blank.

City of Wenatchee

Capital Facilities Plan

2008~2013

Adopted: September 11, 2008

Table of Contents

Introduction.....	1
Definitions	2
CFP Organization	2
Level of Service Standards.....	3
Financial Constraints.....	4
Timelines	4
Overall Plan	5
2007 Projects	6
Parks and Recreation.....	10
Stormwater.....	12
Water/Sewer.....	14
Street Overlay.....	17
Arterial Streets.....	19
Street Maintenance Projects	23
Convention Center	24
Cemetery	26
Vehicles	27
Real Estate Excise Tax.....	28
Partnership Facilities/Economic Development.....	31

Introduction

The purpose of a Capital Facilities Plan (CFP) is to provide adequate facilities that are (1) consistent with the projected population growth and land use plan; (2) concurrent with, or within 6 years of the impacts of new development in order to achieve and maintain adopted level of service standards; and (3) based on sound fiscal policies for the city.

The Growth Management Act of 1990 requires that a CFP consist of (1) an inventory of existing capital facilities; (2) a forecast of the future needs for such facilities; (3) the proposed locations and capacities of expanded or new facilities; (4) at least a six-year plan that will finance such facilities within projected funding capacities and clearly identifies sources of public money for such purposes; and (5) a requirement to reassess the land use element if funding falls short of meeting existing needs.

The city-owned public capital facilities encompassed by this plan include the following:

- streets
- sidewalks, paths and trails
- street and road lighting systems
- traffic signals
- domestic water system
- storm sewer system
- sanitary sewer system
- parks and recreation facilities
- general administrative facilities
- vehicles (over \$10,000 and a useful life of over 10 years)
- museum
- convention center
- cemetery

The Capital Facilities Plan is also important for seeking other funding sources, such as grants and loans. The city must have an approved Capital Facilities Plan to be eligible for Public Works Trust Fund program, Distressed County Funds, and other programs.

Under Growth Management, the city's Capital Facilities Plan must also be coordinated and consistent with CFP's of other public facility providers. Some of those providers within the Wenatchee Urban Area include: Wenatchee School District (schools), Chelan County P.U.D. (electrical, water and sewer, parks and recreation), Department of Transportation (highways), Wenatchee Reclamation District (irrigation water), Fire District No. 1 (fire protection), Chelan County (streets, solid waste, storm sewer, lighting, traffic signals, law and justice).

The Capital Facilities Plan must be updated annually. Updates to the CFP should immediately precede the city's budget cycle so that capital improvements can be incorporated into the annual budget.

Definitions

The following definitions will help in understanding how this Capital Facilities Plan is put together and read.

Capital Facility: Capital facilities are structures, improvements, equipment, or other major assets (including land) with a useful life of at least ten (10) years. Capital improvements are projects that create, expand, or modify a capital facility. This definition applies to projects cost that cost more than ten thousand (\$10,000) dollars.

Public Facility: The city-owned public capital facilities encompassed by this plan includes the following: streets, sidewalks, paths and trails, street and road lighting systems, traffic signals, domestic water system, storm sewer system, sanitary sewer system, parks and recreation facilities, general administrative facilities, vehicles, convention center, museum, and cemetery.

Level of Service: Levels of service are usually quantifiable measures of the amount of public facilities that are provided to the community. Measures of levels of service are typically expressed as ratios of facility capacity to demand by actual or potential users. Sometimes, level of service standards are based on the public service, such as police protection, rather than on the facility that houses the service (e.g. police station).

Concurrency: This is a term that requires public facilities and services necessary to serve development be in place at the time of development or a financial commitment is made to provide the facility within a certain period of time. Growth Management requires concurrency on transportation facilities, while all other public facilities must be “adequate.” The Wenatchee Urban Area Comprehensive Plan, however, makes concurrency a requirement for city public facilities.

CFP Organization

This Capital Facilities Plan is organized around each of the public facilities provided by the City. Because the city wants to make sure that the Capital Facilities Plan is based on sound fiscal policy, all capital facilities for which city funds would be expended are included in the CFP, not just those facilities required to accommodate future growth. The CFP is based on the following categories:

- General Facilities (fire, police, administrative offices, maintenance, community facilities)
- Parks and Recreation
- Stormwater
- Water
- Sewer
- Street Overlay
- Arterial Street
- Convention Center
- Regional Water
- Cemetery
- Museum
- Vehicles
- Partnership Facilities / Economic Development (Events Center, Regional Jail, Library, Parking Improvements)

Level of Service Standards

The Level of Service Standards for Public Facilities and Services identified in the Wenatchee Urban Area Comprehensive Plan are as follows:

Schools

K-1	26 students per basic education (BEA) classroom
2-4	27 students per BEA classroom
4-5	29 students per BEA classroom
6-8	28 students per BEA classroom

Comprehensive

9-12	28 students per BEA classroom
------	-------------------------------

Alternative

9-12	24 students per BEA classroom
------	-------------------------------

Ancillary Facilities

Administration Center	1 per district
Transportation Center	1 per district
Maintenance Shop/Office	1 per district
Football Stadium	1 per district
Baseball Stadium	1 per district
Swimming Pool	1 per district
Outdoor Agricultural Lab	1 per district

Fire Protection

Department goal is to have a response of less than 6 minutes 90% of the time.

Police Protection

All calls for assistance will be answered within a reasonable time consistent with the nature of the call.

Parks and Recreation

See plan for level of service standards

Water Supply

Based on International Fire Code requirements

Sanitary Sewer

Daily load demand times 2.5 for collection system

Daily load demand for treatment capacity

Storm Water

Ten-year storm

Transportation

LOS "D" for intersections along any regional roadway, except for intersections on SR285/Wenatchee Avenue where LOS "E" is applied

LOS "D" for travel times along identified Regional Mobility Corridors

LOS "D" for signalized intersections along locally classified arterials and collectors

All roadways on the regional system should have sidewalks and proposed bicycle facilities should be funded and constructed.

Financial Constraints

In order to be considered in the city's annual budget, a project that meets the definition of Capital Facility must be included in the city's Capital Facilities Plan. But first, here are some of the goals of the CFP planning process:

Financial: In the past, the Capital Facilities Plan was not financially realistic. The projected expenditures of general fund money were well beyond any reasonable expectation of the city unless new financial sources were obtained or identified. There also was never any correlation between a new capital program and annual operating costs. Therefore, in this plan, the following guidelines are set:

- the first 3 years must be fiscally constrained. This means projects cannot be incorporated in the first three years unless they include one or more of the following:
 - they are from an existing, dedicated city fund
 - a grant has been approved for the expenditure (not just an application)
 - annual operation and maintenance costs have been budgeted, or are a reasonable increase over prior year's expenditures
 - the project financing may include the issuance of revenue bonds, voter approved bonds (UTGO), or non-voter approved/Councilmanic (LTGO) bonds
- the second 3 years have to be reasonably constrained. That means projects can be put in the CFP if:
 - grant sources are reasonably likely to approve an application
 - new funding sources, such as development impact fees, have been reviewed and discussed with advisory bodies and City Council
 - annual operation and maintenance costs are reasonable (while not limited to a 3% increase over current budget, there needs to be some reasonable expectation of how the increase would be covered)

Timelines

This Capital Facilities Plan update is being done in conjunction with the development of the annual city budget and the annual update process for the city's overall Comprehensive Plan.

Overall Plan

EXPENSES (2008 - 2013)	
Public Facilities Type	Total
Arterial Streets	9,103,704
Cemetery	145,000
Convention Center	1,075,000
General Facilities	37,078,656
Parks and Recreation	3,679,715
Regional Water	5,000,000
Storm Drain	2,030,000
Sanitary Sewer	12,247,000
Street Overlay	7,030,494
Street Maintenance	160,000
Vehicles	230,340
Water	3,743,000
Partnership Projects	22,495,000
TOTAL	\$ 104,017,910

2008 Projects

Facility Type	Project Name	Amount	Revenue Source
Arterial Street	Riverside Drive	4,262,339	Grant - State Transportation
Arterial Street	Riverside Drive	1,200,000	Private
Arterial Street	Riverside Drive	40,000	Intergovernmental (local)
Arterial Street	Riverside Drive	602,483	Tax - 1/2 Cent Gas -- Fund 109
Arterial Street	Okanogan Sidewalk		Grant - State Transportation
Arterial Street	Okanogan Sidewalk		Tax - 1/2 Cent Gas -- Fund 109
Arterial Street	North Wenatchee Ave. Turn Lane	97,745	Federal STP Funds
Arterial Street	North Wenatchee Ave. Turn Lane	15,255	Tax - 1/2 Cent Gas -- Fund 109
Arterial Street	Hawley-Walnut	31,800	Tax - 1/2 Cent Gas -- Fund 109
Arterial Street	Walla Walla	275,000	Tax - 1/2 Cent Gas -- Fund 109
Arterial Street	Washington-Miller	306,771	Federal Safety Grant
Arterial Street	McKittrick-Wen. Ave	98,637	Federal STP Funds
Arterial Street	McKittrick-Wen. Ave	15,394	Tax - 1/2 Cent Gas -- Fund 109
Arterial Street	Brick Streets	170,000	Grant - State Transportation
Arterial Street	Brick Streets	23,530	Inkind
Arterial Street	Miscellaneous / Minor / Undefined	50,000	Tax - 1/2 Cent Gas -- Fund 109
Arterial Street Total		7,188,954	
Cemetery	Home of Peace Irrigation System	5,000	Fund 430
Cemetery Total		5,000	
Convention Center	Upgrade or replace aging or defective equipment	75,000	Convention Center Revenue/Reserves -- Fund 106
Convention Center	Facility Wide Audio, Video and Signage upgrade - Lower floor carpet	700,000	Convention Center LTGO Bonds -- Fund 106
Convention Center Total		775,000	
General Facilities	Public Works Facility	5,820,000	Water/Sewer Bonds
General Facilities	Public Works Facility	4,770,000	General Governmental (REET, Sale of Surplus Property, General Fund)
General Facilities	Wenatchee Riverfront Day Moorage	86,667	Intergovernmental (local)
General Facilities	Wenatchee Riverfront Day Moorage	470,772	Grant -- IAC
General Facilities	Peachey Street Sidewalk Project	100,000	CDBG Entitlement 2006
General Facilities	Peachey Street Sidewalk Project	50,000	CDBG Entitlement 2007
General Facilities	Peachey Street Sidewalk Project	271,550	WSDOT S/W Imp. Prog. Grant
General Facilities Total		11,568,989	
Parks and Recreation	Rotary Park Phase II	141,857	RCO Grant
Parks and Recreation	Foothills Trail Phase I	163,869	RCO Grant
Parks and Recreation	Foothills Trail Phase I	173,689	CD Land Trust Match
Parks and Recreation	Pioneer Park Improvements	100,000	REET
Parks and Recreation Total		579,415	
Regional Water	Disinfection Facility	650,000	Water -- Regional Reserves -- Fund 415
Regional Water	Install Fifth Well at Regional Well Field	850,000	Water -- Regional Reserves -- Fund 415
Regional Water Total		1,500,000	

City of Wenatchee, Capital Facilities Plan, 2008 to 2013

Facility Type	Project Name	Amount	Revenue Source
Sewer	5000' Sewer Main Repl	500,000	Sewer - Reserves -- Fund 401
Sewer	700' Worthen Sidewalk	140,000	Sewer - Reserves -- Fund 401
Sewer	Rag Removal Equipment	200,000	Sewer - Reserves -- Fund 401
Sewer	Basement Dehumidifier	14,000	Sewer - Reserves -- Fund 401
Sewer	Landscaping at WWTP	65,000	Sewer - Reserves -- Fund 401
Sewer	Digester Floating Dome Eval/Rehab	250,000	Sewer - Reserves -- Fund 401
Sewer	Olds Station Sewage Pump Rehab	750,000	Sewer - Reserves -- Fund 401
Sewer	River Park Sewage Pump Station	300,000	Sewer - Reserves -- Fund 401
Sewer	Traffic Reader Board	12,000	Sewer - Reserves -- Fund 401
Sewer	Influent Flow Meter	6,000	Sewer - Reserves -- Fund 401
Sewer	Automatic Samplers	10,000	Sewer - Reserves -- Fund 401
Sewer Total		2,247,000	
Stormwater	Comprehensive Plan Update	250,000	Storm Sewer - Reserves -- Fund 410
Stormwater	Linden Tree Outfall	200,000	Storm Sewer - Reserves -- Fund 410
Stormwater	North Miller	250,000	Storm Sewer - Reserves -- Fund 410
Stormwater	Worthen Storm Drain	30,000	Storm Sewer - Reserves -- Fund 410
Stormwater	Miscellaneous Stormwater Improvements	50,000	Storm Sewer - Reserves -- Fund 410
Stormwater Total		780,000	
Street Overlay	Street Overlay	500,000	Tax - REET - 2nd 1/4
Street Overlay Total		500,000	
Streets	Reconstruct 2 concrete crosswalks on Wen Ave.	35,000	Street Fund -- Fund 108
Streets	Replace misc. sidewalk sections throughout City	10,000	Street Fund -- Fund 108
Streets Total		45,000	
Vehicles	12 Passenger Recreation Van	24,000	Fund 503
Vehicles	VIP Vehicle, Police	21,500	General Fund
Vehicles	Maintenance Van	19,000	Funds 105, 504
Vehicles	Ride-on Line Striper, Streets	45,000	Funds 108, 503
Vehicles	Mini-Excavator, Water/Sewer	45,000	Funds 108, 401, 503
Vehicles Total		154,500	
Water	Shoring Box	10,000	Water - Reserves -- Fund 401
Water	Reservoir Rehabilitation	500,000	Water - Reserves -- Fund 401
Water	Water Main Repl. & Upgrade	350,000	Water - Reserves -- Fund 401
Water	Reservoir Overflow Pipe Rehab	300,000	Water - Reserves -- Fund 401
Water	Hoe Pack for Att. For Excavator	18,000	Water - Reserves -- Fund 401
Water	Security System Res/Pump Stat	65,000	Water - Reserves -- Fund 401
Water Total		1,243,000	
Grand Total		\$26,586,858	

General Facilities

General facilities covers city administrative offices, public works buildings, and other community projects that do not have dedicated fund sources, such as water and sewer systems.

The focus of the 6-year capital facilities financing plan for general facilities is on four areas:

1. Implementation of the Wenatchee Waterfront Subarea plan which includes:
 - a. Completion of the Greater Wenatchee Regional Events Center which is discussed under partnership projects, page 31.
 - b. The Orondo Day Use Moorage and Parking Expansion Project
 - c. Relocation of the city's Public Works facility off of the Riverfront and corresponding construction of the new Public Works building.
2. Maintenance and expansion of city-owned facilities, including museum and city hall.
3. Construction of a new Headquarters Fire Station.
4. Peachey Street Sidewalks Project as part of Pedestrian and Bicycle Program.

Wenatchee's Waterfront Subarea Plan is well underway and in 2008, the Orondo Moorage and Parking Expansion project which is supported by a grant from the Resource and Conservation Office and a \$200,000 commitment from the Port of Chelan County will be constructed. In addition, the relocation of the city's Public Works facility is well underway with bonds issued in November 2007. The facility is under construction on McKittrick Street making way for the city's waterfront land to be reused for waterfront oriented development.

A key City Council priority is to analyze and carry out needed improvements and additions for city Fire Facilities. In December 2007, the Fire Department was authorized to hire a firm to work through a process of site selection, facility design and financial work toward a voted bond.

In 2005, the City became a CDBG Entitlement Community. For 2008, the Phase II Peachey Street Sidewalk WSDOT Safe Walking Route will be completed.

The Museum began a process to evaluate future needs in 2001. Envisioned additions and improvements will serve to create ADA compliant entry and access to public areas, tie the museum plaza to the existing downtown park creating a complex to make efficient use of space and resources. Of this \$11.2 million dollar project, a successful campaign already provided \$1.2 million in improvements. It is the goal to complete the remaining \$10 million project between 2010-2012.

With the addition of the New Police Station in 2004, the existing police facility was opened up for occupancy by other departments of the City. The Information Systems Department, the Facility Maintenance Division of Public Works and the Drug Taskforce of the Police Department have all located in this facility. The influx of additional personnel has revealed a deficiency of parking spaces at the City's downtown campus. Additional parking is being planned as a lid structure over a portion of the new Police Department parking lot this project is estimated at \$300,000.

GENERAL FACILITIES

<i>Year</i>	<i>Project</i>	<i>Funding Source</i>	<i>Fund Amount</i>
2008	Building Construction	Water/Sewer Bonds	5,820,000
		General Government (REET, Sale of Surplus Property, General Fund)	4,770,000
Public Works Facility Total 2008			\$10,590,000
2008	Wenatchee Riverfront Day Moorage	Grant – IAC	470,772
		Intergovernmental (local)	86,667
Wenatchee Riverfront Day Moorage Total 2008			\$557,439
2009	Wenatchee Riverfront Day Moorage	Intergovernmental (local)	86,667
2008	Peachey Street Sidewalk Project	CDGB - Comp. Sidewalk Grant	
		CDBG Entitlement 2006	100,000
		CDBG Entitlement 2007	50,000
		WSDOT S/W Imp. Prog. Grant	271,550
Peachey Street Sidewalk Project Total			\$421,550
2009	Headquarters Fire Station	Bonds-Voter Approved	\$15,123,000
2009	City Hall/PD Parking	General Fund Reserves	\$300,000
2010	Museum Remodel	Bonds-Voter Approved	\$10,000,000
TOTAL			\$37,078,656

Parks and Recreation

In 2006 the City adopted a Parks and Recreation Comprehensive Plan. This plan addresses every type of recreational facility and recreational activity available and analyzed the deficiencies compared with recreational standards. Overall, the community's residents are blessed with a wide variety of recreational opportunities. Many agencies and groups provide outstanding facilities and programs separate from those of the city.

The comprehensive plan contains a section concerning project funding (Chapter VI) which highlights the proposed capital improvements as well as funding mechanisms available to finance the improvements. Over the last year, City Staff and the Parks and Recreation Advisory Board further developed and refined this section with more detailed individual project worksheets. This process included: Completing an inventory of existing facilities, reviewing current and future planned projects, exploring partnerships, examining the comprehensive plan, researching funding options, and developing a prioritization matrix system consistent with CTED recommendations. Through this refinement process, the project worksheets evolved into a separate document called the Capital Investment Plan.

As the City views its parks and recreational resources as investments in the community, the more commonly referred to Capital Facilities Plan is referred to in this supplemental document as the Capital Investment Plan. The Capital Investment Plan serves as a supplement to the Parks, Recreation and Open Space Comprehensive Plan and provides the detailed project, funding and expense information regarding proposed park and recreation facility development for the years 2008-2014 and beyond.

For many cities, the amount of funds required to acquire the park land and develop the proposed facilities is beyond their financial capabilities. Wenatchee is no different. Parks must compete for funds with legally mandated City functions and services, including police and fire protection, roads, utilities, planning, regulatory enforcement, and so forth. For this reason, the proposed parks and recreation capital facilities developed through the planning process were prioritized, suggesting a continuum as to which facilities should be given the highest and lowest consideration. The resulting list comprises the Capital Investment Plan. Other public, private and non profit organizations will need to be involved in helping generate revenue and support for the projects if they are to be realized.

For the purposes of this year's CFP, those projects with funding identified are included in the plan. These include: Completing the Master Plan for Pioneer Park and beginning to implement the identified improvements and completing the second phase of the Rotary Park project to include the addition of a splash pad. The city has received grant funding from the Recreation and Conservation Funding Board for the Rotary Park project and will be utilizing proceeds from the Real Estate Excise Tax to complete the Pioneer Park project. In addition, Phase 1 of the Foothills Trails Project is underway with funding from RCO and a partnership with Chelan-Douglas Land Trust.

PARKS AND RECREATION FACILITIES

<i>Year</i>	<i>Project</i>	<i>Funding Source</i>	<i>Fund Amount</i>
2008	Rotary Park Phase II	RCO Grant	\$141,857.21
2008	Foothills Trail Phase I	RCO Grant	\$163,869.13
		CD Land Trust Match	\$173,689.00
2008	Pioneer Park Improvement	REET	\$100,000.00
2009	Neighborhood Park Acquisition	RCO Grant	\$410,150
		General Fund	\$410,150
2009	Pennsylvania Park Playground	CDBG Grant	\$75,000
2010	New Community Park	Fee In Lieu Of	\$200,000
2011	Pioneer Park Renovation Phase II	RCO Grant	\$300,000
		MPD Proceeds	\$450,000
2011	New Community Park	RCO Grant	\$200,000
		Fee In Lieu Of	\$225,000
2012	New Community Park	Fee In Lieu Of	\$230,000
2012	Pioneer Park Renovation Phase III	REET	\$100,000
		Partner Contributions	\$50,000
		MPD Proceeds	\$450,000
TOTAL			\$3,679,715.34

Stormwater

Projects in this program provide an infrastructure capable necessary to control flooding and well as drainage of the urban area. The existing stormwater system consists of a network of piping generally located within the street system designed to collect surface water and convey it to the nearest surface water body. The City developed a comprehensive stormwater plan in 2000 to identify capital needs necessary to meet level of service standards. Stormwater Bonds were issued in 1998 to provide funding for expansion of the system. These bonds were expended on large stormwater projects completed in concert with arterial street projects. The 2008 budget was developed to continue to improve the system and address immediate needs. The next logical project at this time is the north Miller Street project, although there are insufficient funds at this time to construct this project in its entirety. The 2008 budget does include \$250,000 for upgrading the lower reaches of the North Miller system also addressing replacement of leaking pipe. Several other small stormwater improvements are included in the 2008 budget addressing immediate needs. Due to the requirements of the National Pollution Discharge Elimination (NPDES), which has been a moving target, an update to the Stormwater Comprehensive Plan is budgeted. The updated plan will provide guidance for future stormwater capital improvements and reprioritize those projects not completed under in the existing comprehensive plan

These projects are required to meet the City's adopted LOS standards. The City has implemented a 10-year storm as the design standard. A 10-year storm is defined as a storm that can be expected to occur on average once every 10 years, based on empirical data. Parts of the existing system, particularly in the residential areas, were designed for a 5-year storm. Also, storm sewer systems were generally not installed in the areas above the Reclamation District Canal. As these areas are brought up to standards, and as new developments occur that increase the runoff to the existing system, a large number of the existing trunk lines will be under capacity. The intent of this program is to update or install new storm sewer mains in a timely manner so that the ultimate build out of the valley is accommodated in regards to drainage of a 10-year storm event.

The Storm Drain Utility Fund is a special revenue fund designed to account for the financial activities related to the City's ongoing improvement and expansion of the storm sewer system. The revenue for this fund is generated from a flat monthly charge to each single-family residence as well as a monthly charge to commercial and multi-family residences based on an "equivalent residential unit". The equivalent residential unit is an impervious surface of 3,000 square feet. The city recently completed a fee study, which resulted in an increase in the stormwater charges. This plan shows a projection of \$250,000 per year to be invested in capital outlays. This investment will likely increase when assigned to projects following the comprehensive plan update. A rate study will be performed to address the reprioritized and new capital needs as well as the operations and maintenance costs associated with compliance with the City's NPDES general permit.

Storm sewer fees were previously collected outside the City of Wenatchee's corporate limits but within the City's urban growth boundary. The collection of these stormwater utility fees was suspended several years ago, pending review of the needs and funding program. Chelan County has developed and implemented a stormwater utility needed to address NPDES issues within the urban growth area, but outside the City limits.

City of Wenatchee, Capital Facilities Plan, 2008 to 2013

Storm Drain (#410)

Year	Project	Funding Source	Fund/Amount
2008	Comprehensive Plan Update	Storm Sewer - Reserves -- Fund 410	250,000
2008	Linden Tree Outfall	Storm Sewer - Reserves -- Fund 410	200,000
2008	Misc. Storm Drain Improvements	Storm Sewer - Reserves -- Fund 410	50,000
2008	Storm Drain Imp. N Miller to River	Storm Sewer - Reserves -- Fund 410	250,000
2008	Worthen St Storm Drain	Storm Sewer - Reserves -- Fund 410	30,000
2009 - 13	Awaiting Prioritization from Comp. Plan Update		1,250,000
TOTAL			\$ 2,030,000

	2008	2009	2010	2011	2012	2013
Revenue						
Operating	965,100	1,075,300	1,107,600	1,140,800	1,175,000	1,210,300
Interest earnings	63,000	6,200	4,800	3,700	3,000	2,800
Revenue bonds	0	0	0	0	0	0
Total revenues	1,028,100	1,081,500	1,112,400	1,144,500	1,178,000	1,213,100
Expenses						
Operating	606,450	624,644	643,383	662,684	682,565	703,042
Bond payments	255,238	253,188	255,903	252,983	254,695	255,695
Comp plan update	250,000	0	0	0	0	0
Linden Tree outfall	200,000	0	0	0	0	0
Misc. stormdrain impr.	50,000	0	0	0	0	0
Stormdr. Imp N Miller	250,000	0	0	0	0	0
Worthen St stormdrain	30,000	0	0	0	0	0
Unprioritized Capital	0	250,000	250,000	250,000	250,000	250,000
Total projects	1,641,688	1,127,832	1,149,286	1,165,667	1,187,260	1,208,737
Revenues over (under) project	-613,588	-46,332	-36,886	-21,167	-9,260	4,363
Beginning working capital	819,070	205,482	159,151	122,265	101,097	91,838
Ending working capital	205,482	159,151	122,265	101,097	91,838	96,201

--Rate study growth factor	19.47%	8.42%	0.00%	0.00%	0.00%	0.00%
--CPI	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%

Debt Service Payments

1998 Bonds	255,238	253,188	255,903	252,983	254,695	255,695
Bond issue #1	0	0	0	0	0	0
Bond issue #2	0	0	0	0	0	0
Bond issue #3	0	0	0	0	0	0
Bond issue #4	0	0	0	0	0	0
	255,238	253,188	255,903	252,983	254,695	255,695

Water/Sewer

The major emphasis in the water distribution system over the next six years will be on upgrading fire flow capacity, replacing aging steel water mains in streets scheduled for ACP overlay and reservoir rehabilitation of the 4 million gallon reservoir. An update to the Water System Plan will be undertaken in 2009 from which a new Capital Improvement Plan will be developed. This plan will prioritize the fire flow projects, main replacement projects and reservoir improvements. It is estimated that this work will necessitate budgeting approximately \$500,000 per year for capital projects over the remaining 5 years of the planning period.

The major emphasis in the waste water system will be on planning and design for the expanded sewer service area out to the UGB west of highway 97 and improvements to the collection system, lift station and force main which serves the industrial Olds Station. The City's first General Sewer Plan (GSP) is nearing completion and will be adopted by the City in 2008. This plan will include a prioritized Capital Improvement Plan for the Wastewater system. The City is also finalizing a Facility Plan (FP) for the Waste Water Treatment Plant. This plan will also outline several improvements to the treatment plant facilities which will be necessary in the next 5 years. Together it is anticipated that the projects identified in the GSP and FP will require approximately \$2,000,000 per year over the remaining 5 years of the planning period.

Ongoing annual maintenance and rehabilitation of the collection system main lines, manholes and pump stations will be required over the next six years as more areas of need are identified through the City's continuing video inspection program.

Utility rate increases adopted in 2007 by the City Council provide the necessary funding for the capital improvements.

System	Year	Project	Fund Source	Project Cost
Water	2008	Shoring Box	Water - Reserves -- Fund 401	10,000
Water	2008	Reservoir Rehabilitation	Water - Reserves -- Fund 401	500,000
Water	2008	Water Main Repl. & Upgrade	Water - Reserves -- Fund 401	350,000
Water	2008	Reservoir Overflow Pipe Rehabilitation	Water - Reserves -- Fund 401	300,000
Water	2008	Hoe Pack for Attachment for Excavator	Water - Reserves -- Fund 401	18,000
Water	2008	Security System for Reservoirs & Pump Stations	Water - Reserves -- Fund 401	65,000
Water	2009-13	Unprioritized Projects	Water - Reserves -- Fund 401	2,500,000
Water Total				\$3,743,000
Sewer	2008	5000' Sewer Main Repl. Along RR Tracks	Sewer - Reserves -- Fund 401	500,000
Sewer	2008	700' Worthen Sidewalk along Eq. Basin	Sewer - Reserves -- Fund 401	140,000
Sewer	2008	Rag Removal Equipment	Sewer - Reserves -- Fund 401	200,000
Sewer	2008	Basement Dehumidifier	Sewer - Reserves -- Fund 401	14,000
Sewer	2008	Landscaping at WWTP	Sewer - Reserves -- Fund 401	65,000
Sewer	2008	Digester Floating Dome Eval. & Rehab	Sewer - Reserves -- Fund 401	250,000
Sewer	2008	Olds Station Sewage Pump Rehab	Sewer - Reserves -- Fund 401	750,000
Sewer	2008	River Park Sewage Pump Station	Sewer - Reserves -- Fund 401	300,000
Sewer	2008	Traffic Reader Board for Collection Crew	Sewer - Reserves -- Fund 401	12,000
Sewer	2008	Influent Flow Meter	Sewer - Reserves -- Fund 401	6,000
Sewer	2008	Automatic Samplers	Sewer - Reserves -- Fund 401	10,000
Sewer	2009-13	Unprioritized Projects	Sewer - Reserves -- Fund 401	10,000,000
Sewer Total				\$12,247,000

Water/Sewer (#401)

In addition to the projects shown on the previous page, the city's Public Works office is being relocated. Funds from the city sewer and water funds would be spent in proportion to their use of that facility. This funding is described in the General Facilities Section of this Plan.

	2008	2009	2010	2011	2012	2013
<u>Revenue</u>						
Operating	7,946,700	8,661,900	9,441,500	10,291,200	10,599,900	10,917,900
Non-operating	306,400	71,300	83,500	109,000	150,500	153,500
Revenue bond/loan proceeds	0	2,000,000	2,000,000	2,000,000	0	0
Total revenues	8,253,100	10,733,200	11,525,000	12,400,200	10,750,400	11,071,400
<u>Expenses</u>						
Operating	5,897,690	6,074,600	6,256,800	6,444,500	6,637,800	6,836,900
Debt Service Payments	1,592,425	1,750,803	1,917,015	2,072,686	1,512,494	1,513,794
Capital projects - water	1,243,000	500,000	500,000	500,000	500,000	500,000
Capital projects - sewer	2,247,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Transfer Out	30,500	0	0	0	0	0
Total projects	11,010,615	10,325,403	10,673,815	11,017,186	10,650,294	10,850,694
Revenues over (under) projects	-2,757,515	407,797	851,185	1,383,014	100,106	220,706
Beginning fund balance	5,132,598	2,375,083	2,782,880	3,634,065	5,017,079	5,117,185
Ending fund balance	2,375,083	2,782,880	3,634,065	5,017,079	5,117,185	5,337,891
Rate study growth factor	0.00%	6.00%	6.00%	6.00%	0.00%	0.00%
CPI	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Bond coverage	1.479	1.519	1.705	1.908	2.719	2.797
<u>Debt Service Payments</u>						
2004 Bonds	562,414	562,296	564,688	562,274	0	0
1998 Bonds	199,666	200,436	200,971	201,171	201,053	200,553
2007 SRF Loan	439,883	439,883	439,883	439,883	439,883	439,883
2007 Bonds	390,462	387,703	390,503	387,903	390,103	391,903
2009 Bonds	0	160,485	160,485	160,485	160,485	160,485
2010 Bonds	0	0	160,485	160,485	160,485	160,485
2011 Bonds	0	0	0	160,485	160,485	160,485
	1,592,425	1,750,803	1,917,015	2,072,686	1,512,494	1,513,794

Regional Water (Fund 415)

Three major projects are planned for the Regional system in the future.

The first is a change in the chlorination system from one ton pressurized gas cylinder system to a liquid injection system. At this time, on-site generation of a hypochlorite solution is the preferred option.

The second major project is a fifth high capacity well. Additional capacity will be needed as the East Wenatchee Water District (EWWD) expands and the demand for water increases from the East Bank Aquifer. Depending on growth rate of the EWWD and the Chelan County PUD a second 30 inch diameter transmission main will be needed from the aquifer to the EWWD connection near Odabashian Bridge. This project is actually scheduled for sometime after 2011 but increased growth may cause this project to occur sooner.

Other option to expansion of the regional well field to increase water supply are being evaluated in terms of feasibility. They include:

1. Developing a second source south of Malaga
2. Continuing to improve water conservation measures
3. Developing irrigation and water re-use projects.

<i>Year</i>	<i>Project</i>	<i>Fund Source</i>	<i>Project Cost</i>
2008	New Disinfection Facility	Water – Regional Reserves – Fund 415	650,000
2008	Install Fifth Well at Regional Well Field	Water – Regional Reserves – Fund 415	850,000
2009-13	Install Second Transmission line to EWWD	EWWD and Regional Fund 415	3,500,000
TOTAL			\$ 5,000,000

Street Overlay

The intent of this annual project is to overlay all of the City streets based on their respective maintenance cycle. In addition to pavement condition, consideration is given to the need to upgrade the water, sewer, storm drain and other utilities so that the overlay will occur at least one year after excavation for utility updates.

For the most part, the overlay program is a maintenance issue. It is related to Level of Service (LOS) standards in that if the maintenance issue is not addressed in a timely manner, roadways will deteriorate to the point where total reconstruction is necessary, at which time LOS to the public is lowered.

The Street Overlay Fund is a special revenue fund designed to account for financial activities related to the City's ongoing street overlay program. The Street Overlay Program was developed by the Public Works Department in 1996 and provided for the overlay of all City streets over a 15-year repeating cycle. The Street Overlay Program was looked at again by the Public Works Department in 2005. The overlay cycle was evaluated for categories of City Streets in an effort to more accurately predict overlay cycles. Some maintenance work such as crack sealing was added to the program resulting in extended overlay cycles. This analysis indicates that more than \$1,500,000 needs to be annually allocated to this fund. The largest differences between the 1996 and 2005 evaluations are inflation due to the rising cost of oil prices, and a closer examination of other issues such as grinding, and intersection repairs.

Revenue sources consist of funds generated from the city's 2nd $\frac{1}{4}$ of 1% Real Estate Excise Tax. Previously, funds from the city's 5% Cable TV tax were dedicated to the overlay program, but budget priorities in 2003 reallocated those funds to general city expenses. The current revenue is approximately \$500,000 per year.

Street Overlay (#111)

	2008	2009	2010	2011	2012	2013
Revenue						
2nd 1/4% REET	525,000	540,800	557,000	573,700	590,900	608,600
Miscellaneous	33,000	24,000	11,600	1,100	(31,700)	(71,800)
L.T.G.O. Bond	0	0	0	0	0	0
Total revenues	558,000	564,800	568,600	574,800	559,200	536,800
Projects						
Overlays	500,000	977,542	918,613	1,669,291	1,897,289	1,067,760
Total projects	500,000	977,542	918,613	1,669,291	1,897,289	1,067,760
Revenues over (under) projects	58,000	(412,742)	(350,013)	(1,094,491)	(1,338,089)	(530,960)
Beginning fund balance	742,662	800,662	387,920	37,907	(1,056,584)	(2,394,673)
Ending fund balance	800,662	387,920	37,907	(1,056,584)	(2,394,673)	(2,925,632)

The budget shown above includes the actual amounts of overlays estimated to be necessary over the next nine years. These estimates are based on the Public Works Department's analysis of life cycle of city streets. This table does not reflect whether the amount invested in previous years met the intent of the 2005 evaluation. Therefore, these costs projects are likely understated. Furthermore, due to excessive inflation of asphalt, the 2005 study should be adjusted to reflect current market price for oil based products. Extensive overlay projects and funding needs are expected in the near future due to the large amount of work done in 1998 and 1999, which were financed by bonds.

Even with the issuance of bonds in 2014, when the city's existing bonds for the overlay program are paid off, additional funding sources should be pursued in order to maintain current levels of service.

Arterial Streets

Many arterial street projects planned, only a few of which has funding in place. Arterial street projects are typically funded by 80% grant and 20% coming from the Arterial Street fund. The City has been aggressive in pursuing and successfully securing these grants.

The following funded projects improve roadway functionality and safety by widening, adding bike lanes and sidewalks and improving channelization.

- Extension of Hawley Street to Pine Street
- Walla Walla Avenue reconstruction
- McKittrick Street/Wenatchee Avenue Signal
- Washington Street/Miller Street Signal
- New Riverside Drive and Piere Street improvements
- Extension of right turn lane on North Wenatchee Avenue between Horse Lake Road and Maiden Lane
- Brick Streets

A number of projects are needed soon in order to maintain level of service standards. The City is planning on performing a level of service study on all intersections that are close to falling below level of service standards in order to help prioritize improvements.

Recently, staff prepared a list of intersections that are close to failure in terms of level of service. They include the following.

- Mission Street widening at Crawford – includes northbound and southbound turn lanes
- Western Avenue widening and right turn lanes at Fifth Street
- Chelan Avenue widening and right turn lane at Orondo Avenue
- Elliott Street connection between Fifth Street and Orchard Avenue
- Springwater and Western Signal

In previous plans, the SR285 Bridge Approach Phase I was shown as a project. This project has now been completely funded with State and Federal funds. The Washington State Department of Transportation is taking the lead on this project. SR 285 Phase II is still shown as a future project.

Signal projects proposed for funding include: Miller Street and 1st Street, Maple and Western, Wenatchee Avenue and Ferry Street, Wenatchee Avenue and Thurston, and Crawford and Okanogan.

Other miscellaneous programmed projects include:

- Railroad grade separation on Hawley Street.
- Railroad grade crossing modifications – train whistle ban mitigation
- Traffic signal radio interconnect and optimization
- Signal light upgrade to L.E.D. bulbs

Two transportation planning study is proposed during this period. The North Wenatchee Corridor study would analyze the corridor to explore options to improve circulation, relieve congestion and

document the environmental impact of any action. The City of Wenatchee and East Wenatchee are also applying jointly for federal funds to perform a type size and location study for a third Columbia River Bridge.

The City of Wenatchee receives a portion of the State's motor vehicle fuel tax, approximately \$325,000 annually, which is dedicated to Arterial Streets. It is proposed to use this revenue as matching money for these projects. However, there are more projects than funds available. The list of projects identifies a need for approximately \$3 million of additional gas tax revenue over a twenty year period. At this time, the projected fund balance in the Arterial Street fund very small considering the size of the projects it typically funds. When funds fall short in this fund, the Mayor and Council have had to make tough decisions relative to finding additional funds.

The primary source of the grant funds is the Transportation Improvement Board (TIB). The City of Wenatchee competes with other agencies for these funds. The TIB rates each of the applications based on specific criteria, including safety, mobility, structural condition, congestion, width, multimodal components and project cost. A secondary source of funds is Federal Transportation bill monies issued to local agencies through the Washington State Department of Transportation. The availability of these funds for projects in the City of Wenatchee is subject to the Metropolitan Planning Organization who collaboratively establishes project prioritization in the Wenatchee Valley. A future source of funds being considered for congestion related projects is the formation of a Transportation Improvement District and the imposition of a \$20 car tab fee. This funding source, if imposed by the city of Wenatchee alone would produce approximately \$635,000 annually.

The following table illustrates funded project with expenditures shown in 2008 and 2009. The following years only portray revenue projections. Projects for this period are anticipated depending on grant success.

Arterial Street Fund (#109)

	2008	2009	2010	2011-13
<u>Revenue</u>				
Motor vehicle fuel tax	327,100	336,900	347,000	1,041,000
Intergovernmental		155,000		
Grants - State	4,427,939			
Grants - Fed				
Federal STP	685,778	539,544		
LINK	40,000			
Chelan County				
Private (LID, etc)				
Proceeds land sale	1,350,000			
Private contributions	1,200,000			
Interest	5,000	5,000	5,000	15,000
Total revenues	8,035,817	1,036,444	352,000	1,056,000
<u>Projects</u>				
Riverside Drive	6,104,822	0		
Hawley-Walnut	31,800	0		
Walla Walla	275,000	0		
Washington-Miller	306,771	0		
McKittrick-Wen. Ave	114,031	373,750		
Brick Streets	193,530	0		
N Wen. Turn Lane	113,000	250,000		
Misc. - Minor	50,000	50,000	50,000	150,000
Det. By Grant Funding				1,041,000
Interfund Loan Repmt	1,179,461			
Total projects	8,368,415	673,750	50,000	1,191,000
Revenues over (under) projects	-332,598	362,694	302,000	-135,000
Beginning fund balance	555,813	223,215	585,909	887,909
Ending fund balance	223,215	585,909	887,909	752,909

Priority		TOTAL COST	Grant - Federal Transportation	Grant - State Transportation	Intergovernmental	Private	Sewer Reserves	Storm Sewer Reserves	Tax - 1/2 Cent Gas	USDOT	Running Total 1/2 Cent Gas
1	Riverside Drive	6,718,800		4,700,000		1,200,000			818,900		818,900
2	Wendchiee Avenue and Thurston Signal	250,000		200,000					50,000		868,900
3	McKibick Interchanges Signal	500,000	432,500						67,500		936,300
4	Washington Miller Signal	350,000	343,250						6,750		943,050
5	Brick Streets	99,266	85,000						13,266		956,316
6	McKibick Street Improvements	1,750,000		1,400,000	50,000				300,000		1,256,316
7	North Wendchiee Turn Lane	300,000		240,000					60,000		1,316,316
8	Walila Walila Street	1,637,464		1,700,000					(62,536)		1,253,780
9	Springwater Western Signal	250,000		200,000					50,000		1,303,780
10	Elliott Street Connection	500,000							500,000		1,803,780
11	Fifth & Western Turn Lane	400,000		320,000					80,000		1,883,780
12	Chelan and Orondo Right Turn Lane	250,000		200,000					50,000		1,933,700
13	Mission/Crawford Intersection	100,000		80,000					20,000		1,953,700
14	Miscellaneous Projects	300,000							300,000		2,253,700
15	Pedestrian Safety Improvements	540,000		432,000					108,000		2,361,700
16	Miscellaneous Projects	650,000							650,000		3,011,700
17	Hawley Street Grade Separation	16,000,000		2,000,000					14,000,000		17,011,700
18	North/South Corridor Analysis	2,000,000		1,800,000	100,000				100,000		17,111,700
19	Red Apple Road Phase 1	1,000,000		800,000					200,000		17,311,700
20	Red Apple Road Phase 2	1,000,000		800,000					200,000		17,511,700
21	Maple/Western Signal	250,000		200,000					50,000		17,561,700
22	Traffic Signal Interconnect and Optimization	200,000		160,000					40,000		17,601,700
23	Bus Rapid Transit Study	50,000	40,000						10,000		17,611,700
24	First and Miller Signal	300,000		240,000					60,000		17,671,700
25	Railroad Crossings	100,000		80,000					20,000		17,691,700
26	Central Business District Study	50,000							50,000		17,741,700
27	Crawford and Olanogian Traffic Signal	400,000		320,000					80,000		17,821,700
28	Fifth Street Safety Improvements	400,000		400,000					100,000		17,921,700
29	Pine Avenue Improvements	1,800,000		1,400,000		180,000			220,000		18,141,700
30	Walila Walila to Hawley Connection	550,000		440,000					110,000		18,251,700
31	Western Avenue/Number Two Canyon	1,200,000		960,000					240,000		18,491,700
32	SR 285 Phase II	23,700,000	21,000,000	2,000,000					700,000		19,191,700
		\$ 63,494,430	\$ 21,900,740	\$ 21,072,000	\$ 130,000	\$ 1,360,000	\$ -	\$ -	\$ 18,097,700	\$ -	
						SUBTOTAL		TOTAL			
		2008	2009	2010	2011-2013	2008-2013	2014-2026	2008-2026			
	REVENUE - 1/2 Cent Gas	327,100	336,900	347,000	1,041,000	2,032,000	4,858,000	6,910,000			

Street Maintenance Projects

Two types of projects are proposed with street maintenance funds: replacement of concrete crosswalks in the central business district and replacement of defective sidewalks in various areas around the City. The downtown crosswalks have required replacement due to deterioration and settlement of the brick borders as well as deterioration of the concrete.

City crews have used a stamped, colored concrete system to replace the bricks and concrete materials in the original installation. There are nine crosswalks left to complete: three at the Orondo and Wenatchee Avenue intersection, two at Wenatchee Avenue mid-block locations and four additional crosswalks at side streets approaching Wenatchee Avenue.

<i>Year</i>	<i>Project</i>	<i>Fund Source</i>	<i>Project Cost</i>
2008	CDB Stamped Crosswalks	Street Fund -- Fund 108	40,000
2009	Reconstruct crosswalks on cross streets in CBD	Street Fund -- Fund 108	20,000
2009	Replace misc. sidewalk sections throughout City	Street Fund -- Fund 108	10,000
2010-13	Replace misc. sidewalk sections throughout City	Street Fund -- Fund 108	30,000
2010-13	Reconstruct crosswalks on cross streets in CBD	Street Fund -- Fund 108	60,000
TOTAL			\$ 160,000

Convention Center

The Convention Center is a city-owned facility that is operated under agreement with WestCoast Hotels. Revenue from the operation of the facility and revenue from lodging taxes are used to operate and maintain the facility as well as pay off long-term capital debt and provide for facility and equipment upgrades and replacements.

The original portions of the Convention Center were built and equipped in 1980. As the facility has aged it has become necessary to replace much of the original equipment especially in high use area like the food service facilities and common areas. In 2005 and 2006 substantial investments have been made with the purchase of new equipment and furnishings. In 2007 these investments will continue with the \$75,000 appropriated for replacement of aging kitchen equipment and HVAC equipment.

In 2006 the City engaged CH Johnson Consulting to provide an analysis of the current convention center facilities and amenities as they relate to business retention and competition with newly constructed and renovated facilities throughout Washington. This analysis yielded the recommendation that the City provide upgraded audio, video and signage amenities immediately. Additionally, the consultant's report provided a list of recommended architectural and aesthetic improvements as well as long term plans for the expansion of the convention center. In 2007, \$700,000 was included in the Public Works Bond to implement immediately necessary improvements. An additional \$17 million in needs are identified in two additional phases of work. It is anticipated that these additional phases of work will be funded through new hotel-motel revenues associated with new facilities coming on line in the city and from revenues associated with the operation of the convention center.

City of Wenatchee, Capital Facilities Plan, 2008 to 2013

Year	Project	Fund Source	Project Cost
2008	Audio/Video Presentation Equipment Upgrade	LTGO Bond issue (2007)	550,000
2008	Replace Carpeting/Common areas main floor	LTGO Bond issue (2007)	150,000
2008	Upgrade or replace aging or defective equipment	Convention Center Revenue/Reserves – Fund 106	75,000
2009	Upgrade or replace aging or defective equipment	Convention Center Revenue/Reserves – Fund 106	75,000
2010-12	Upgrade or replace aging or defective equipment	Convention Center Revenue/Reserves – Fund 106	225,000
Total			\$ 1,075,000

Convention Center Fund
Estimated Revenues, Expenses and Changes in Fund Balance
For the years 2008 through 2013

	Note	2008	2009	2010	2011	2012	2013
Revenues							
Hotel / Motel Tax (40% to 106)	1	386,400	398,000	409,900	422,200	434,900	447,900
Hotel / Motel Tax (20% to 105)	1	0	0	0	0	0	0
Chelan County	3	65,000	67,000	69,000	71,100	73,200	75,400
West Coast commissions	1	184,000	189,500	195,200	201,100	207,100	213,300
Interest Income	5	14,001	-11,600	-19,400	-27,200	-35,200	-43,500
East Wenatchee Hotel/Motel Tax	4	0	0	0	0	0	0
Transfer In		214,200					
L.T.G.O. Bonds		0	0	0	0	0	0
Total revenues		863,601	642,900	654,700	667,200	680,000	693,100
Expenses							
Operating	1	398,140	410,100	422,400	435,100	448,200	461,600
Capital Expense		775,000	75,000	77,300	79,600	82,000	84,500
Transfer Out		15,200					
Debt Service	6	384,880	351,831	350,331	353,446	355,761	352,468
Total expenses		1,573,220	836,931	850,031	868,146	885,961	898,568
Revenues over (under) expenses		-709,619	-194,031	-195,331	-200,946	-205,961	-205,468
Fund balance, January 1		419,004	-290,615	-484,646	-679,977	-880,924	-1,086,885
Fund balance, December 31		-290,615	-484,646	-679,977	-880,924	-1,086,885	-1,292,353

Assumptions

- 1 Revenues increase by 3%
- 2 Expenses increase by 3%
- 3 Chelan County Contract one-year, re-negotiate 2008
- 4 East Wenatchee ceases to pay after 2010 contract expiration
- 5 Interest earned on previous year FB 4%

6 Debt Service Detail	2008	2009	2010	2011	2012	2013
1993 LTGO Bonds	67,019	0	0	0	0	0
1997 LTGO Bonds	262,428	261,178	259,678	262,793	265,108	261,815
2007 LTGO Bonds	90,653	90,653	90,653	90,653	90,653	90,653
Total	420,100	351,831	350,331	353,446	355,761	352,468

Cemetery

The Cemetery Advisory Board was formed in 2004 to identify needs at the City's 34-acre facility and develop a plan for remedying the project budgetary shortfalls in the coming years. The Board identified a lack of certain commodities such as cremation niches, a scattering garden, full interment crypts and side-by-side full interment graves that have hurt the Cemetery's ability to generate revenue. Also, the City's rates for goods and services at the Cemetery had not kept pace with inflationary pressures.

In 2008, \$5,000 has been budgeted for additional capital improvements at the Home of Peace Mausoleum which is an off-site historical Mausoleum operated as part of the Cemetery.

The long term Cemetery capital plan includes additional improvements to the Home of Peace mausoleum on Miller Street and the installation of additional facilities at the Cemetery including crypt walls, roadway drainage improvements, Veterans Section improvements and eventually opening of a new full interment section.

<i>Year</i>	<i>Project</i>	<i>Fund Source</i>	<i>Project Cost</i>
2008	Home of Peace Irrigation System	Fund 430	5,000
2009	Section O, Upright Grave Development	Fund 430	40,000
2010	Veterans section improvements	Fund 430	20,000
2011-2013	Satellite Niche Wall	Fund 430	50,000
2011-2013	Section M Irrigation	Fund 430	30,000
Total			\$ 145,000

Vehicles

Most vehicles in the city's fleet are part of the Equipment Revolving and Replacement Fund (ER&R). Those vehicles with a useful life of at least ten years are considered as capital assets. The following vehicles have been identified for purchase above and beyond the annual replacement schedule.

In addition, with the anticipation of a voter approved bond for new fire facilities, it is anticipated that the cost of a new fire apparatus would be included.

<i>Year</i>	<i>Project</i>	<i>Fund Source</i>	<i>Project Cost</i>
2008	12 Passenger Van, Recreation	Fund 503	24,000
2008	Hybrid VIP Vehicle, Police	General Fund	28,000
2008	2 Patrol Vehicles, Police	General Fund	69,340
2008	Maintenance Van	Fund 106-80%; Fund 504-20%	19,000
2008	Ride-on Line Striper, Streets	Fund 108 - \$34,100 Fund 503 - \$10,900	45,000
2008	Mini-Excavator, Water/Sewer	Fund 108 - \$ 9,000 Fund 401 - \$18,000 Fund 503 - \$18,000	45,000
Total			\$ 230,340

Real Estate Excise Tax

The State Legislature authorized cities to impose an excise tax that is paid by the seller of a piece of real estate. The authorization is in two separate sections, with two separate sets of limitations. The authorization (RCW 82.46) has specific limitations and responsibilities for jurisdictions planning under the Growth Management Act.

The 1st quarter of 1% Real Estate Excise Tax has less limitations, but still must be used for projects included in the Capital Facilities Plan. This tax was first enacted by the city in 1996. The city of Wenatchee has used this funding to pay a portion of the debt service on the 1998 councilmanic bonds for the street overlay program.

The 2nd quarter of 1% Real Estate Excise Tax has more limitations. The list of capital projects is not as inclusive as the 1st Quarter. This tax was first enacted by the city in 1999. The city has previously dedicated this entire portion of the Real Estate Excise Tax to the Street Overlay program, which is authorized under the legislation.

Below is an overview of the two different legislative authorizations:

1st Quarter of 1% -- RCW 82.46.010

The legislative authority of any city may impose an excise tax on each sale of real property in the corporate limits of the city for the city tax at a rate not exceeding one-quarter of one percent of the selling price. After April 30, 1992, revenues generated from the tax imposed under RCW 82.46.010 in cities over five thousand population that are required or choose to plan under RCW 36.70A.040 shall be used solely for financing capital projects specified in a capital facilities plan element of a comprehensive plan and housing relocation assistance under RCW 59.18.440 and 59.18.450. However, revenues (a) pledged by such counties and cities to debt retirement prior to April 30, 1992, may continue to be used for that purpose until the original debt for which the revenues were pledged is retired, or (b) committed prior to April 30, 1992, by such counties or cities to a project may continue to be used for that purpose until the project is completed.

As used in this section, "capital project" means those public works projects of a local government for planning, acquisition, construction, reconstruction, repair, replacement, rehabilitation, or improvement of streets; roads; highways; sidewalks; street and road lighting systems; traffic signals; bridges; domestic water systems; storm and sanitary sewer systems; parks; recreational facilities; law enforcement facilities; fire protection facilities; trails; libraries; administrative and/or judicial facilities; river and/or waterway flood control projects by those jurisdictions that, prior to June 11, 1992, have expended funds derived from the tax authorized by this section for such purposes; and, until December 31, 1995, housing projects for those jurisdictions that, prior to June 11, 1992, have expended or committed to expend funds derived from the tax authorized by this section or the tax authorized by RCW 82.46.035 for such purposes.

1st Quarter of 1% Projects

In 2008 the City anticipates it will receive \$535,000 from the 1st quarter percent real estate excise tax. This tax was first enacted by the city in 1996. The city of Wenatchee has used approximately \$170,000 per year from this funding source to pay a portion of the debt service on the 1998 councilmanic bonds for the street overlay program.

The relocation of the city's proposed Public Works facility is proposed, bonding the funds in excess of the long-term debt service requirement for the 1998 Street Overlay bonds. The anticipated bond amount would be approximately \$1.7 million, with annual payments around \$121,000.

1st 1/4% REET	2008	2009	2010	2011	2012	2013
Revenue						
1st 1/4% REET	535,000	551,100	567,600	584,600	602,100	620,200
IAC Grant	141,857	0	0	0	0	0
Interest income	10,000	4,200	8,700	13,800	19,600	26,100
Total revenues	686,857	555,300	576,300	598,400	621,700	646,300
Projects						
Bond payments	408,770	406,380	403,820	405,300	405,631	405,031
Rotary park	141,857	0	0	0	0	0
Pioneer Park	100,000	0	0	0	0	0
PW Building contribution	500,000	0	0	0	0	0
Total projects	1,150,627	406,380	403,820	405,300	405,631	405,031
Revenues over (under) projects	-463,770	148,920	172,480	193,100	216,069	241,269
Beginning fund balance	603,621	139,851	288,771	461,251	654,351	870,420
Ending fund balance	139,851	288,771	461,251	654,351	870,420	1,111,689
	3.00%	CPI 3.00%	CPI 3.00%	CPI 3.00%	CPI 3.00%	CPI 3.00%
Debt Service Payments						
1998 LTGO Bonds	170,036	170,461	167,301	168,381	168,512	167,912
2007 LTGO Bonds	238,734	235,919	236,519	236,919	237,119	237,119
	408,770	406,380	403,820	405,300	405,631	405,031

2nd Quarter of 1%-- RCW 82.46.035

The legislative authority of any city that plans under RCW 36.70A.040(1) may impose an additional excise tax on each sale of real property in the corporate limits of the city for the city tax at a rate not exceeding one-quarter of one percent of the selling price. Revenues generated from the tax imposed RCW 82.46.035 shall be used by such counties and cities solely for financing capital projects specified in a capital facilities plan element of a comprehensive plan. However, revenues (a) pledged by such counties and cities to debt retirement prior to March 1, 1992, may continue to be used for that purpose until the original debt for which the revenues were pledged is retired, or (b) committed prior to March 1, 1992, by such counties or cities to a project may continue to be used for that purpose until the project is completed.

As used in this section, "capital project" means those public works projects of a local government for planning, acquisition, construction, reconstruction, repair, replacement, rehabilitation, or improvement of streets, roads, highways, sidewalks, street and road lighting systems, traffic signals, bridges, domestic water systems, storm and sanitary sewer systems, and planning, construction, reconstruction, repair, rehabilitation, or improvement of parks.

2nd Quarter of 1% Projects

The 2nd Quarter of 1% Real Estate Excise Tax is proposed to be used primarily for the city's street overlay program. In 2008, the city is forecasting revenues of \$400,000.

Partnership Projects / Economic Development

The City of Wenatchee operates within a region with the understanding that there may be a need to cooperate on needed community facilities or economic development projects.

The city is an active player in regional economic development working to facilitate and participate in projects that will be a catalyst for new private investment in the region. The Greater Wenatchee Regional Events Center construction got underway in 2007 and is funded through the Greater Wenatchee Regional Events Center Public Facilities District which receives a rebate of .03% of the district's sales taxes that are sent to the state, revenues from the facility itself, a city supported \$10 million CERB grant (\$8.3 of which supports the events center and \$1.7 supported the Walla Walla Street improvements in 2007) and a \$4 million commitment from the City General Fund. The City will also continue to apply to Chelan County for LOTS funding to support the Events Center project as a critical economic development project for our region, and the City has guaranteed the revenue bonds for this facility.

In addition, the city is actively pursuing new state resources to facilitate the development of projects identified in the adopted Central Business District subarea plan including improvements to downtown parking, streetscape, the development of a new workforce housing project as well as the improvements to the Convention Center discussed earlier. The city is also working with Burlington Northern Santa Fe in an effort to move their roundhouse operations to the Appleyard, thus freeing up rail crossings which are currently blocked for BNSF shift changes. City CDBG or Homeless/Housing Funds could be used to support the workforce housing project.

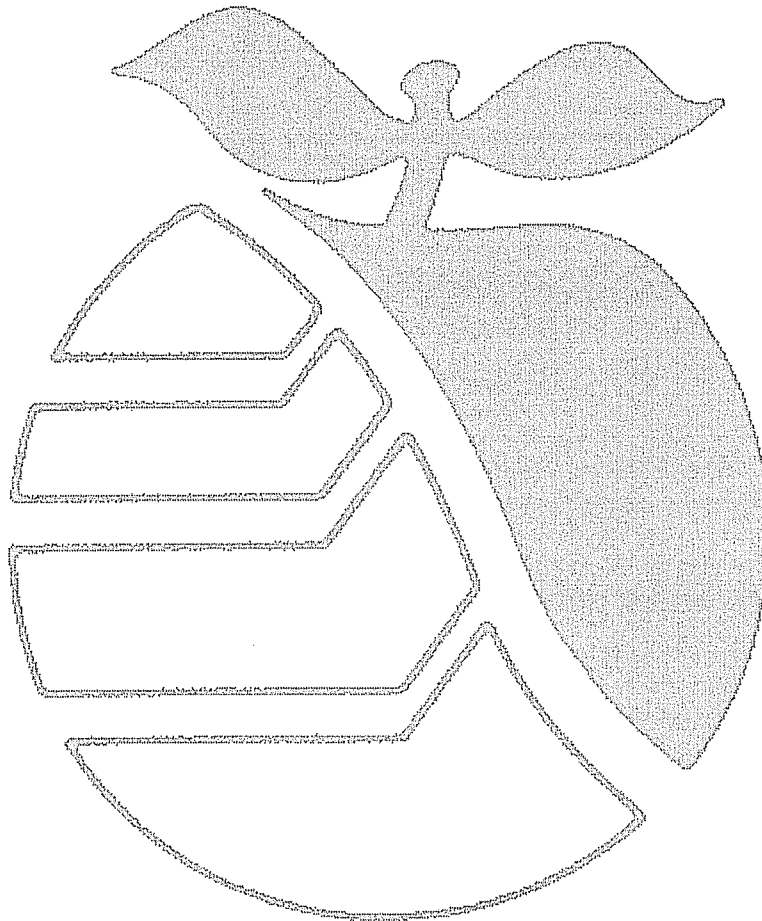
Other projects include discussions with the Wenatchee School District regarding a partnership to house the Wenatchee Applesox at Recreation Park. A study will be complete in the summer of 2008.

Finally, in a partnership with area governmental agencies, the City is looking at solutions for the Wenatchee Reclamation Bridge. A study will be complete in the fall of 2008.

City of Wenatchee, Capital Facilities Plan, 2008 to 2013

<i>Year</i>	<i>Project</i>	<i>Fund</i>	<i>Amount</i>
2008	Greater Wenatchee Regional Events Center	CERB Grant	8,300,000
		City Contribution	4,000,000
		LOTS Grant	195,000
			12,495,000
2009-13	Greater Wenatchee Regional Events Center	LOTS Grant	1,000,000
2011-2013	Parking Expansion	undetermined	3,000,000
2011-2013	Burlington Northern	undetermined	1,000,000
2011-2013	Workforce Housing Project	undetermined	3,000,000
2011-2013	Wenatchee Applesox	undetermined	1,000,000
2011-2013	Wenatchee Reclamation Bridge	undetermined	1,000,000
TOTAL			\$ 22,495,000

Part 6. Debt Issues



DEBT MANAGEMENT ISSUES

The Wenatchee City Council's guiding principal towards debt management has been to issue bonds only for capital construction/purchases and only when it is not possible to finance such projects with existing cash and investments. Prior to the issuance of debt there are protracted discussions regarding what the issuance of debt will mean to the City in terms of the enhancement of services offered versus the resultant impact on:

- Utility rates (in the case of revenue bonds)
- Existing levels of service as a result of committing current financial resources (in the case of nonvoted general obligation bonds)
- Overall property tax burden of the citizens (in the case of voted general obligation bonds)

External Debt Outstanding

As of December 31, 2008 the City has a number of external debt issues outstanding including:

- Four revenue bond issues and one State Revolving Fund Loan that are secured by the revenues of the City's Water/Sewer, Regional Water and Storm Drain Funds.
- Four Limited Tax General Obligation (LTGO) or non-voted issues that are secured by the full faith and credit of the City (see Part 9 of this document for further information).
- One Unlimited Tax General Obligation (UTGO) or voted bond issue that is secured by the full faith and credit of the City (see Part 9 of this document for further information).
- One Loan Guarantee for a portion of bonds issued in 2002 by Chelan County for the construction of the Rivercom (a two County emergency services dispatch center).

As a part of the bond issuance process, for each bond issued since 1997 the City has met with representatives of Moody's and Standard and Poor's in order to make rating presentations and ultimately receive a rating. These ratings are periodically reviewed and updated by each rating agency. A summary of the ratings the City currently carries on each of the bond issue types (UTGO, LTGO and Revenue) follows:

<u>Bond Type</u>	<u>Moody's</u>	<u>Standard & Poor's</u>
Revenue Bonds	A3	AA-
UTGO Bonds	A2	A
LTGO Bonds	A3	A

A summary of estimated outstanding debt at the end of 2008 follows (final figures for year-end are not available at the writing of this document):

Debt Type	Interest Rates	Maturity	Authorized	Outstanding Jan. 1, 2008	Issued	Redeemed	Outstanding Dec. 31, 2008
Revenue Bonds:							
1998 Water/Sewer	3.90-5.25%	12/1/2023	\$ 2,720,000	\$ 2,170,000	\$ 0	\$ 90,000	\$ 2,080,000
1998 Storm Drain	3.90-5.15%	12/1/2018	3,190,000	2,110,000	0	150,000	1,960,000
2004 Water/Sewer	2.50-3.50%	12/1/2011	8,205,000	3,520,000	0	840,000	2,680,000
2007 Water/Sewer	4.00-4.30%	12/1/2027	5,225,000	5,225,000	0	170,000	5,055,000
SRF Loan	1.50%	12/30/2026	7,391,665	7,245,709	0	332,102	6,913,607
			\$ 26,731,665	\$ 20,270,709	\$ 0	\$ 1,582,102	\$ 18,688,607
G.O. Bonds:							
1993 LTGO	3.25-5.75%	12/1/2008	\$ 800,000	\$ 75,000	\$ 0	\$ 75,000	\$ 0
1998 LTGO	3.85-5.05%	12/1/2014	4,085,000	2,150,000	0	265,000	1,885,000
2001 UTGO	2.10-4.90%	12/1/2021	4,800,000	3,720,000	0	200,000	3,520,000
2007 LTGO	4.00-4.30%	12/1/2027	4,045,000	4,045,000	0	145,000	3,900,000
2007 LTGO	4.15%	12/1/2021	2,560,000	2,560,000	0	145,000	2,415,000
2008 LTGO BAN	75% of prime	12/1/2011	3,100,000	0	2,961,750	0	2,961,750
			\$ 19,390,000	\$ 12,550,000	\$ 2,961,750	\$ 830,000	\$ 14,681,750
Loan Guarantee							
2002 Chelan County/Rivercom							
Loan Guarantee	1.80-4.90%	12/1/2022	\$ 640,000	\$ 537,500	\$ 0	\$ 27,500	\$ 510,000
Total of all external debt types				\$ 46,761,665	\$ 33,358,209	\$ 2,961,750	\$ 2,439,602
							\$ 33,880,357

Internal Debt Outstanding

The City is periodically able to finance borrowings for projects internally using excess reserves in various funds. As of December 31, 2008 the City had three internal debt issues outstanding.

- A \$266,000 loan was made from the Cemetery Trust Fund to the General Fund via Resolution #2001-03 adopted by the City Council on March 8, 2001. The purpose of the loan was to partially fund a City contribution of \$700,000 in the Performing Arts Center. Terms of the loan are that monthly payment installments be made over the ten-year period of January 2000 through December 2009 at an annual interest rate of 5.5%.
- A \$600,000 loan was made from the Cemetery Trust Fund to the General Fund via Resolution #2008-59 adopted by the City Council on September 25, 2008. The purpose of the loan was to partially finance the City's \$4,000,000 investment in the GWRECPFD event center facility. Terms of the loan are that monthly payment installments be made over the ten-year period of October 2008 through September 2018 at an annual interest rate of 3.592%.
- A \$1,000,000 loan was made from the Water/Sewer Fund to the CERB Grant Capital Projects Fund via Resolution #2008-58 adopted by the City Council on September 25, 2008. The loan was necessary to cover a \$1,000,000 CERB retainage on a \$10,000,000 CERB grant. The \$1,000,000 will be released upon completion of the Riverside Drive Project which is expected to take place in early 2010. Terms of the loan are that monthly interest only payments be made until the conclusion of the project (but no later than September 30, 2010) at which point the loan principal will be repaid with the CERB grant proceeds. Interest is computed at 2.33% per annum. Because the Riverside Drive Project is primarily a general government infrastructure project rather than a utility driven project the interest payments will be made by the General Fund throughout the life of the loan.

Debt Type	Interest Rate	Maturity	Authorized	Outstanding Jan. 1, 2008	Issued	Redeemed	Outstanding Dec. 31, 2008
Cemetery Trust Fund (#610) to General Fund (#001)	5.50%	Dec 2010	\$ 266,000	\$ 65,467	\$ 0	\$ 31,836	\$ 33,631
Cemetery Trust Fund (#610) to General Fund (#001)	3.59%	Sept 2018	600,000	0	600,000	0	600,000
Water/Sewer Fund (#401) to CERB Grant Fund (#313)	2.33%	Sept 2011	1,000,000	0	1,000,000	0	1,000,000
			\$ 1,866,000	\$ 65,467	\$ 1,600,000	\$ 31,836	\$ 1,633,631

Future Debt Plans

Each year a number of smaller capital improvement projects are financed with current year revenues, however due to the magnitude of opportunities/challenges faced by the City (see the Budget Message in Part 1 of this document for further discussion as well as Part 5 for the City's

Capital Facilities Plan) it is widely acknowledged that the necessary renovations or replacements of buildings and/or infrastructure must be financed through the issuance of long-term debt. Depending upon the nature of the capital project and the source of funds for the eventual repayment of any money borrowed, the City will likely issue debt in a number of forms including LTGO (non-voted), UTGO (voted) and Revenue Bonds.

Debt Capacity

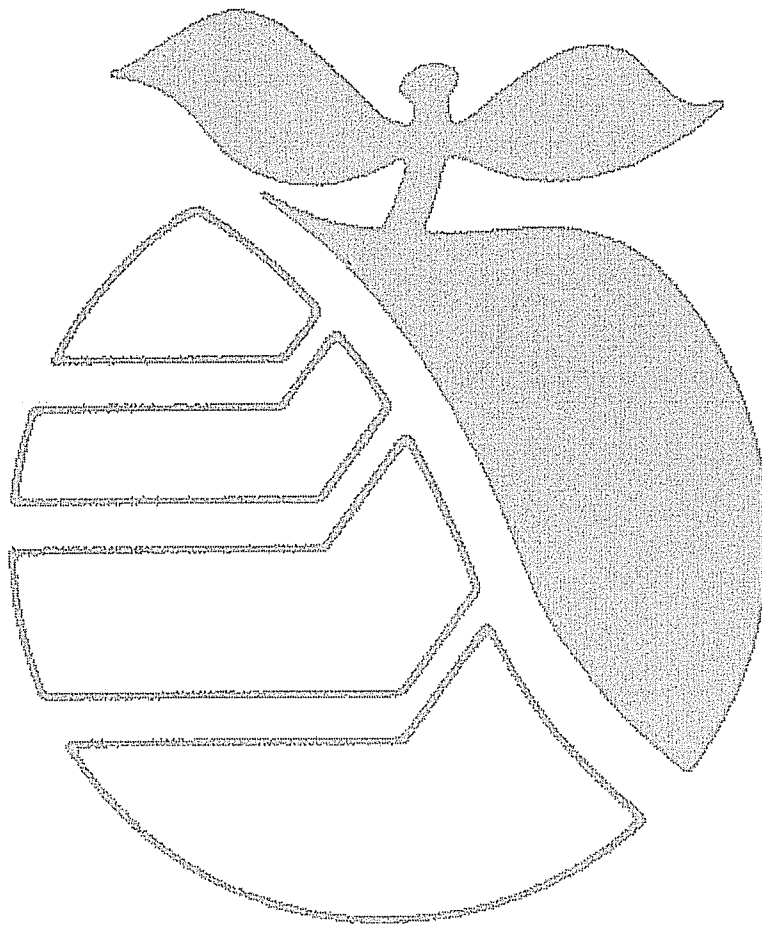
Washington State law provides that general obligation debt cannot be incurred in excess of the following percentages of the value of taxable property of the City:

- A total of 2.5% for General Purpose allocated between:
 - Up to 1.5% without a public vote (councilmanic or LTGO).
 - Up to 1.0% with a public vote (UTGO).
- A total of 2.5% for utility purposes with a public vote.
- A total of 2.5% for open space, park and capital facilities with a public vote.

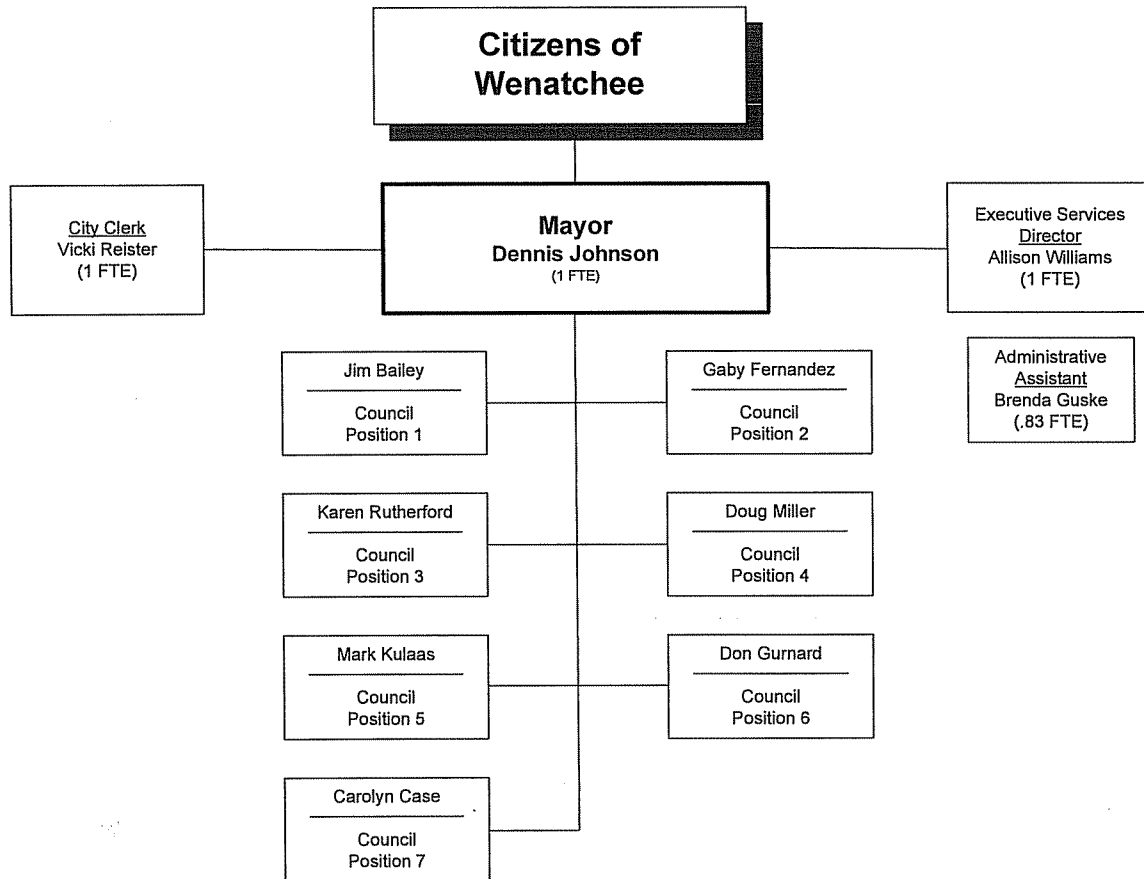
At December 31, 2008, the estimated debt limits for the City are as follows (final figures for year-end are not available at the writing of this document):

	2.5% General Purpose		With a Public Vote		Total
	Without a Public Vote 1.50%	With a Public Vote 1.00%	Utility Purpose 2.50%	Open Space, Park, and Capital Facilities 2.50%	
Legal Limit	29,545,919	19,697,279	49,243,198	49,243,198	147,729,594
Outstanding Indebtedness	(11,161,750)	(3,520,000)	0	0	(14,681,750)
Margin Available	<u>18,384,169</u>	<u>16,177,279</u>	<u>49,243,198</u>	<u>49,243,198</u>	<u>133,047,844</u>
The margin available is based upon the Chelan County Assessor's Office <u>preliminary</u> estimate of 2008 assessed values for 2009 levies and taxes			<u>\$1,969,727,938</u>		

Part 7. General Fund



Mayor/Council
Total 2009 Appropriations \$639,150
3.83 FTE



Department Description

Under the Mayor/Council form of government, the Mayor is the official and ceremonial head of the City. He serves as the chief executive officer and is charged with the responsibility of ensuring that all policies, laws and ordinances enacted by the Council are carried out. The Mayor sets the agenda for, and presides over, all City Council meetings and reports to the Council regarding City affairs including operational, financial and other needs. He also makes recommendations for Council consideration and action. Additionally, the Mayor is responsible for the creation and presentation of the City's annual operating and capital budgets.

The City Council is comprised of seven members who represent the needs and concerns of citizens. Through legislative action the Council sets policy and provides direction to be carried out by the Mayor and appointed staff. Among other things, the Council is responsible for establishing and prioritizing levels of service for all City operations and for the adoption of the City's annual operating and capital budgets. Council members and the Mayor represent the city in serving on various community boards and councils.

The staff of the department includes the Executive Services Director, City Clerk and Administrative Assistant.

2008 Accomplishments

- The Mayor's office provides staff support for the Greater Wenatchee Regional Events Center Public Facilities District, which contracted with Global Entertainment to construct and manage the Greater Wenatchee Regional Events Center (now Town Toyota Center). A grand opening / ribbon cutting was held on October 5, 2008. The \$52.4 million center is home to the Wenatchee Wild (NAHL Hockey Team) and has already hosted several events including Disney on Ice and several concerts and trade shows. With the declining economy, this facility kept Wenatchee's revenues on track for the month of October and beyond. The facility has 4,300 fixed seats and two sheets of ice, replacing the city's former Ice Arena property.
- The Mayor's office provided work to secure \$41.7 million in bond anticipation notes as staff for the Public Facilities District in anticipation of the purchase of the Town Toyota Center, which occurred December 8, 2008.
- As a result of the city's work on the implementation of the Waterfront Sub Area Plan, over \$400 million in projects are either completed, underway or close to building permit status. Much coordination was done with Engineering and Community Development to manage the process of right-of-way acquisition for Riverside Drive and the Ninth Street Trailer Park transition. The \$10 million Riverside Drive project will be bid in early 2009. In addition, permits were received so the bid and construction of the Orondo Day Use Moorage and Parking Expansion project could happen in 2009.
- The Mayor's office began the conversation with many partners in the valley who are carrying out GREEN initiatives. The city is a proud partner in the Port's Plug In Hybrid Vehicle Initiative and has a car in the program that is a part of the city fleet. In 2009, the city's Green efforts will be clearly defined and measured, along with the development of a GREEN page for the city website, highlighting all of the great things going on in the valley.
- The Mayor's office became a part of HUD's Call to Action for Affordable Housing and with Community Development, worked to establish the city's Affordable Housing Task Force. Good results are expected from this broad based group looking at local needs for developing more affordable housing.
- The Mayor's office works closely as liaison with Federal and State Legislators and Staff to assure city needs are heard on federal and state levels. In addition, the Mayor's office oversees the efficient operation of all city departments in carrying out the mission of the City of Wenatchee: ***Creating community through responsive leadership and services for the citizens and visitors of the Apple Capital of the World***
- The City's first Annual Report in several years was issued to all city residents and was well received as a mechanism to learn more about the city and how to access Council members and staff.
- The Mayor's office was a catalyst for bringing together entities in an effort to attract activity from the 2010 Olympics in Vancouver BC. The new E3 (Escape, Explore, Enjoy North Central Washington) was born in 2008 and marketing efforts will continue through 2010.
- The Mayor's office developed the city's Capital Facilities Plan for adoption by the Wenatchee City Council.
- The Mayor's office provides staff support for the City's Diversity Advisory Council. In 2008, they carried out a number of projects, hosting the annual Martin Luther King Day Jr. event and awarding the Wenatchee Valley Civil Rights and Social Justice Award. They also awarded \$2,000 in Diversity Matching grants for beneficial community projects.
- The Mayor's office managed awards of three more neighborhood matching grants, bringing the total of grants awards to \$28,473.00 since 1999 leveraging over \$481,579.62 in investment in the City of Wenatchee.
- The Mayor's office continued work with and sought/managed grants on behalf of several community groups carrying out projects: The Chelan Douglas Land Trust's Trails Committee who is carrying out the Foothills Trails project to develop two trailheads in the foothills, The Wenatchee Valley Farmer's Market, the Wenatchee Row and Paddle Club and the Wenatchee Applesox on facilities for each group.
- Annually, the City welcomes of the Misawa Delegation to Wenatchee during the Washington State Apple Blossom Festival.

- A great accomplishment in 2008 was the scanning and electronic filing of many city documents held by the City Clerk. This project will help in the effective retrieval of city records, particularly with the escalating number of public disclosure requests being handled by the City Clerk through the Mayor's office.

The City Council generally meets in the Council Chambers at Wenatchee City Hall on three evenings each month at 5:15 p.m. Work sessions are held on the third Thursday of the month while regular meetings are held on the second and fourth Thursdays of each month. A brief description of these meetings is outlined below:

- **Work Session:** Work Sessions are reserved for the education of the City Council members by either City staff or community organizations and are intended to create a dialogue and understanding of issues that may require future City Council action. No formal or public comment is taken at the Work Sessions.
- **Regular Meeting:** Regular City Council meetings are held to discuss and deliberate agenda items that require formal City Council action; although other issues and topics may be presented and discussed. Any member of the public may address the Mayor and Council at the regular meetings.

Expenditure Summary

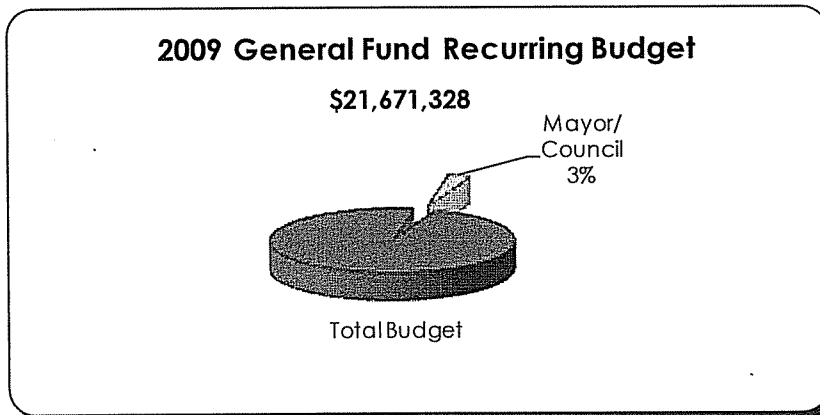
Expenditure by Object	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget	Variance 2009 vs. 2008 Budget	
						Amount	Percent
Salaries & Wages	\$207,178	\$247,027	\$298,147	\$401,641	\$345,985	(\$55,656)	-13.86%
Payroll Taxes & Benefits	39,720	47,534	68,112	82,309	93,560	11,251	13.67%
Supplies	10,387	12,407	13,430	20,450	19,950	(500)	-2.44%
Other Services & Charges	69,061	132,985	136,364	130,325	114,655	(15,670)	-12.02%
Intergovernmental	43,297	39,024	53,494	65,000	65,000	0	0.00%
Total Expenditures	\$369,643	\$478,977	\$569,546	\$699,725	\$639,150	(\$60,575)	-8.66%
Less nonrecurring expenditures:							
Public Facility District	0	76,341	28,701	94,359	0	(94,359)	-100.00%
Information Technology Additions	0	0	0	0	0	0	#DIV/0!
Total nonrecurring expenditures	0	76,341	28,701	94,359	0	(94,359)	-100.00%
Total Recurring Expenditures	369,643	402,636	540,845	605,366	639,150	33,784	5.58%

Personnel Summary

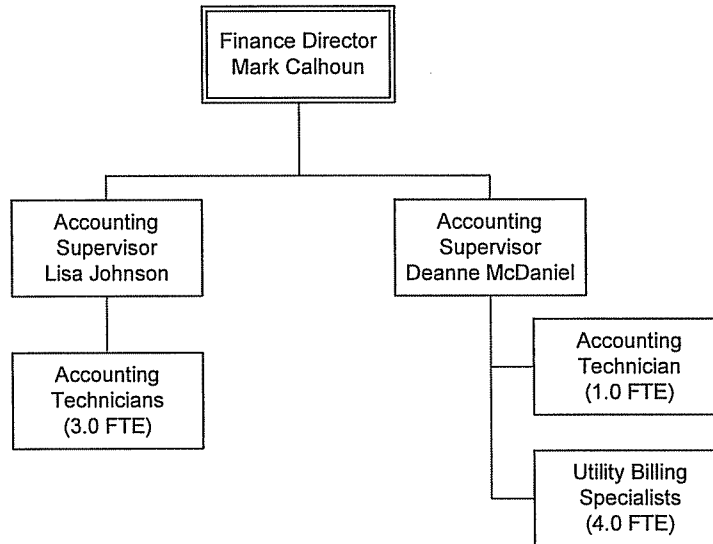
Position	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget
Mayor	1	1	1	1	1
Council Members*	7	7	7	7	7
Director of Administrative Svcs	1	1	0	0	0
Executive Services Director	0	0	1	1	1
City Clerk	1	1	1	1	1
Administrative Assistant	0	0	0.75	0.75	0.88
Event Cntr Project Mngr	0	0	0.75	0.75	0
Total Personnel	3	3	4.5	4.5	3.88

* 4 Council members are compensated at the rate of \$665 per month and are not included as FTEs.

* 3 Council members are compensated at the rate of \$550 per month and are not included as FTEs.

Percentage of Recurring General Fund Budget

Finance Department
Total 2009 Appropriations \$1,019,927
11 FTE



The Finance Department's mission is to assist the Mayor, Council, City Staff and Citizens in the areas of financial planning, budgeting, reporting and overall stewardship of the City's resources.

Department Description

The Finance Department is charged with the responsibility of the administration, coordination, supervision and control of all financial activities of the City. These functions are performed through a combination of interrelated activities including financial management, general accounting and customer services.

- Financial management responsibilities include activities such as budget development and monitoring, treasury control and management of the City's cash and investment portfolio, debt financing and management including periodic updates of bond ratings, and working with public works staff on periodic utility rate studies. Additionally, with the Human Resources department, collectively administers the City's risk management and self-insurance programs.
- General accounting responsibilities include activities such as internal and external financial reporting, general ledger accounting, audit coordination, cash receipting, payroll processing, accounts payable and accounts receivable and purchasing.
- Customer service staff are often the first contact the public has with City government. They answer questions regarding City operations and direct customers to other City Departments when necessary. Customer service activities include:
 - Utility billing and collection of the City's water, sewer, garbage and storm drain utilities.
 - Business license issuance.
 - Local improvement district billings.

2008 Accomplishments

- Completed the 2007 Annual Financial Report in compliance with Governmental Accounting Standards Board (GASB) Statement #34.
- Received a "clean audit opinion" from the Washington State Auditor's Office on the 2007 Annual Financial Report.
- Prepared periodic financial reports and other project specific reports as requested for use by the Mayor, Council and Directors.
- Payroll cycles were completed in an accurate and timely manner.
- City bills were paid in a timely manner and cash discounts were taken on a regular basis.
- Billings for utility services were completed in a timely manner.
- Installed and set-up the Inforum Gold - GASB #34 financial statement preparation software module.
- Created an inaugural two-year 2006 and 2007 annual financial report for the GWRECPFD.
- Worked with the Mayor's Office and Global Entertainment to refine Exhibit A, Sections C, D & E of the Contract for Management and Marketing Service to ensure the financial management of the facility meets with the approval of the SAO yet doesn't create an undue burden on the City Finance Department.
- Assisted the Mayor's Office in the developing the financing package for the GWRECPFD.
- As a result of GASB Statement #45 – Accounting and Financial Reporting for Post-Employment Benefits Other than Pensions, contracted with Milliman, Inc. to have an actuarial study performed on the City's LEOFF 1-Long-Term Care program (Fund 110), LEOFF 1-Health Care program (Fund 116) and the Firemen's Pension Fund (Fund 611).
- Put together a financing package that allowed the City to come up with \$4 million for its investment in the Event Center.
- Working with our bond underwriter, obtained \$3.1 million in interim financing from the Cashmere Valley Bank to finance completion of the Public Services Facility pending the disposition of the old PW building and pit property.
- Working with public works staff, provided information to S&P which lead to an increase in the City's revenue bond rating from an "A" to "AA-".

2009 Goals

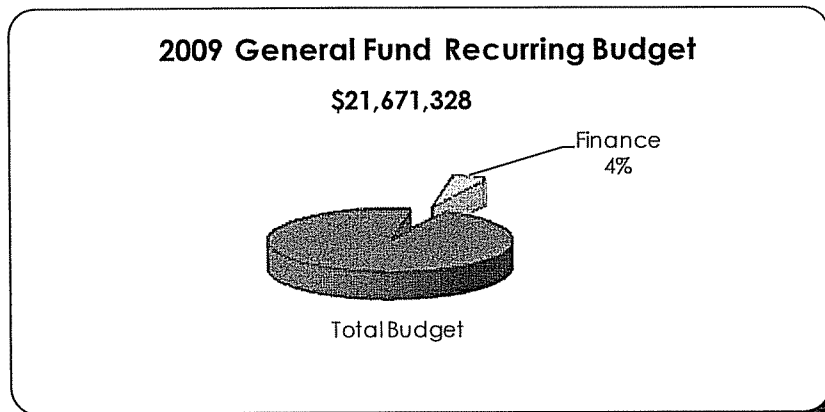
- Complete the 2008 Budget document by March 1, 2009 (within 3-months of the 12/11/2008 adoption).
- Complete the 2008 Annual Financial Report by May 30, 2009, and receive a "clean audit opinion" from the Washington State Auditors Office.
- Complete payroll cycles in an accurate and timely manner.
- Pay City bills in a timely manner and continue to take advantage of all available cash discounts.
- Prepare billings for utility services in a timely manner.
- Provide financial information to the Mayor, Council and Staff as needed.
- Prepare periodic financial reports for use by the Mayor, Council and Staff.
- Continue to follow and /or improve the guidance of the policies we have developed in recent years for purchasing, utility billing and collection, and investments.
- Investigate the addition of budget billing to the City utility system.
- Will work with our bond underwriter to obtain interim financing for the Riverside Drive Project.

Expenditure Summary

Expenditure by Object	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget	Variance 2009 vs. 2008 Budget	
						Amount	Percent
Salaries & Wages	\$501,692	\$543,907	\$560,244	\$592,056	\$613,804	\$21,748	3.67%
Payroll Taxes & Benefits	143,720	170,320	206,417	227,384	247,393	20,009	8.80%
Supplies	19,726	17,735	17,034	22,000	18,300	(3,700)	-16.82%
Other Services & Charges	112,528	143,343	155,820	146,220	140,430	(5,790)	-3.96%
Total Expenditures	\$777,665	\$875,305	\$939,515	\$987,660	\$1,019,927	\$32,267	3.27%
Less nonrecurring expenditures:							
Information Technology Additions	0	0	5,227	0	0	0	#DIV/0!
Total Recurring Expenditures	\$777,665	\$875,305	\$934,288	\$987,660	\$1,019,927	\$32,267	3.27%

Personnel Summary

Position	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget
Finance Director	1	1	1	1	1
Accounting Supervisor	2	2	2	2	2
Accounting Technician	3.5	3.5	3.5	3	3
Accounting Technician - Utilities	0	0	1	1	1
Utility Billing Specialist	4	4	4	4	4
Total Personnel	10.5	10.5	11.5	11	11

Percentage of General Fund Budget

Human Resources
Total 2009 Appropriations \$214,193
2 FTE

**Department Description**

The Human Resource department is located in City Hall. Following the Human Resource guideline of one HR professional to every 100 employees we have a Director and a Specialist. One goal is to attract and retain qualified employees, and to create a work environment which promotes excellent service to our customers and excellent work opportunities for employees. We are part of the non-represented Management/Administrative group and negotiate labor contracts with three unions. A good deal of our effort is spent in support of personnel policy development, administration of and compliance with labor contracts and administering employee benefits.

Duties include:

- Writing job descriptions, overseeing recruiting and hiring processes, providing guidance on staffing decisions, and providing performance evaluations.
- We oversee wage development via job reclassifications for job and salary review, plus work with vendors on insurance and other employee benefits. The Human Resource Specialist coordinates the LEOFF I Disability Board and the Firemen's Pension Fund.
- We work with labor unions on contract negotiation and administration.
- Assist City personnel in fostering fair workplace rules and maintaining good employee relations.
- Ensure compliance with personnel policies, state and federal laws.
- Advise managers on employment law and counsel with employees and supervisors on disciplinary and other matters.

2008 Accomplishments

Staffing: How much time and how many contacts does it take to recruit, interview, identify and select excellent candidates for hire? This is one of the things we do best and have a commitment to bring great new people on board; transfer or promote excellent current employees. In 2008 we saw thirty-six (36) retirement/replacement, transfer or promotion actions. Once again we witnessed the experience value of our existing employees when seven (7) earned promotions. We are grateful for an effective team approach in staffing decisions.

Hiring & Performance Standards: To keep up with changing job duties we continue to upgrade job descriptions. We appreciate the job opportunities here at the City of Wenatchee with pay and benefits that enable us to attract and retain highly qualified employees. As we manage our "human capital", we work with employees and management to encourage and enforce an employee performance standard for which we can all be proud.

Contract Negotiations: One of the City's three labor contracts was open this year. In April we began negotiations with the Fire Department's IAFF Union, the International Association of Firefighters. While unable to reach agreement by the end of 2008, we will proceed to the next

step of mediation, and if necessary, arbitration, to achieve contract settlement. So, therefore we have jointly filed for mediation with the IAFF hoping to begin mediation proceedings in early 2009.

Loss Control: The City of Wenatchee received an "A" grade from the Association of Washington Cities (AWC), Risk Manager Fred Crumley. Fred stated that the reason for our good grade was: the City cares about citizens and public property along with a safe environment. There is a mutual desire on the part of the City staff, elected officials and the RMSA to remove or mitigate loss control hazards and exposures; the City's Directors and employees are conscientious and proactive on loss control standards. **AWC Loss Control Grant:** The City is committed to maintaining good risk management practices and provides a member of our management team to serve on the Risk Management- Operations Committee. The Human Resource Director is currently that member. While attending the annual RMSA Banquet, we were presented with a \$350 Loss Control Grant.

Worker Compensation Experience Factor: This reflects our cost for on-the-job illness or injury. We still have work to do in lowering our rate, but were pleased to see a reduction from 1.0875 to 1.0206 in 2009, putting us closer to the base factor of 1.00.

Job Fair: In another year of hiring Human Resources enjoyed making new contacts at the Wenatchee Valley College Job Fair where valuable temporary employees and interns were brought into the City. **Hiring/Recruitment Brochure:** Human Resources prepared a colorful and descriptive brochure for use at the Job Fair and to display in City departments so members of the public can learn about our job opportunities.

Health Insurance: In June the Management-Administrative work group were surveyed and voted to move to the PPO Plan. Effective January 1, 2009 this group will be covered by the new Health First program at a savings to the City, the covered employees and dependents.

Professional Development & Service: The Human Resource Specialist and Director remain in regular contact with other HR professionals in cities throughout Washington State to exchange information while staying current with HR laws and practices. The Human Resource Director continued service on the National Public Employer Labor Relations Association-Training Committee which crafted a successful launch of web-based supervisory training. The HRD was asked to serve as a Special Advisor to the Board of the Apple Valley Human Resource Association and on the Business Information & Technology Committee at Wenatchee Valley College. This group helps match student skills to the business needs of employers.

Training Provided:

- 2008-Unlawful Harassment Prevention
- January-Free Doughnuts...and other Nutrition Myths!
- February-Identity Theft
- May-The Legal Liabilities of Personnel Management
- September-Informational meeting on switch from Plan B to PPO
- September-PERS Retirement presentation
- October-Labor & Industries Claims Management 101

2009 Goals

- In union contract renewal with the Fire department, we will move to mediation, and, if necessary, arbitration, with IAFF Local #453.
- Finalize hiring, transfer and promotional opportunities from 2008.
- Continue updating City of Wenatchee job descriptions as changes occur.
- Assist management staff in developing internships; partner with the college and other local agencies on employment skills for interns, students and graduates.
- Work with managers and employees to reduce worker injury and experience rate.

- Continue ordering HR records to provide clear documentation of contract interpretations, policy development and City management philosophy for clarity and consistency.
- Create added HR measures on operational success/concerns and provide feedback on results, encouragement/ correction to managers and employees.

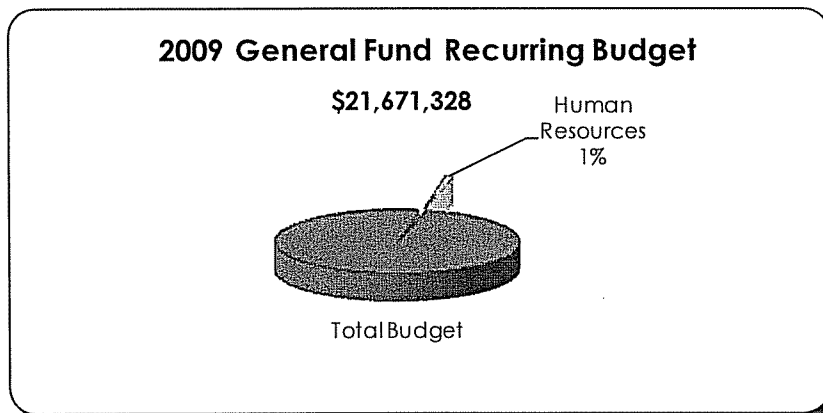
Expenditure Summary

Expenditure by Object	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget	Variance 2009 vs. 2008 Budget	
						Amount	Percent
Salaries & Wages	\$ 126,445	\$ 130,618	\$ 138,466	\$ 143,028	\$ 148,608	\$ 5,580	3.90%
Payroll Taxes & Benefits	27,457	31,748	37,489	41,835	44,651	2,816	6.73%
Supplies	2,699	5,093	2,990	3,000	1,500	(1,500)	-50.00%
Other Services & Charges	51,178	62,122	44,968	19,944	19,434	(510)	-2.56%
Total Expenditures	\$ 207,779	\$ 229,581	\$ 223,912	\$ 207,807	\$ 214,193	6,386	3.07%

Personnel Summary

Position	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget
Human Resource Director	1	1	1	1	1
Human Resource Specialist	1	1	1	1	1
Total Personnel	2	2	2	2	2

Percentage of General Fund Budget



<p style="text-align: center;">Legal Services Total 2009 Appropriations \$340,200 0 FTE</p>
--

Department Description

For legal counsel the City of Wenatchee utilizes the firm of Johnson, Gaukroger, Drewelow, Crossland & Woolett. The firm represents the City in civil legal matters and provides legal advice on a variety of subjects. Additionally, the firm prosecutes persons for violations of City ordinances and laws. Steve Smith, a principal partner in the firm has been designated "City Attorney" by the City Council.

Calendar year 2009 reflects the third year of a four-year contract that runs through 2010. The City's 2007 contractual payment was fixed at \$259,345 and the payment in 2008 increased by 5% to \$272,312. Payments for the years 2009 and 2010 are to be negotiated and agreed to between the firm and City no later than October 15, 2008. In the past such increases have been based upon the CPI, Pacific Cities and U.S. City Average, August to August, All Items Indexes, All Urban Consumers (CPI-U, West B/C).

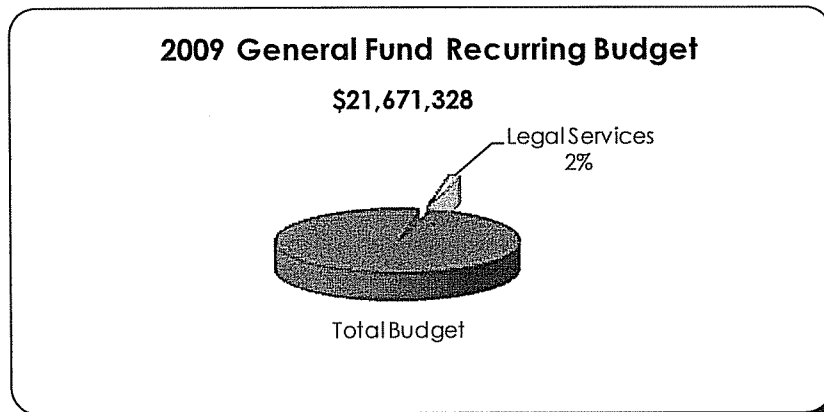
Based upon negotiations that took place in the fall of 2008, the calendar year 2009 annual payment will increase by 2.5% over 2008 plus an additional \$90,000 for a ½ time prosecutor for a total of \$369,120 (an increase of \$96,808 or 35.6%). Of the 2009 payment of \$369,120, we anticipate the General Fund's share of the cost will be \$340,200. The balance of the payment (\$28,920) will be allocated to other City funds based upon their respective use of attorney time.

Finally, the 2009 payment of \$369,120 is premised upon the existing level of service that has historically been provided. In the event of extenuating circumstances requiring additional legal services to be performed outside the present level of service, the City and Attorneys have agreed to negotiate in good faith to achieve a resolution of the additional services to be provided and the compensation to be paid.

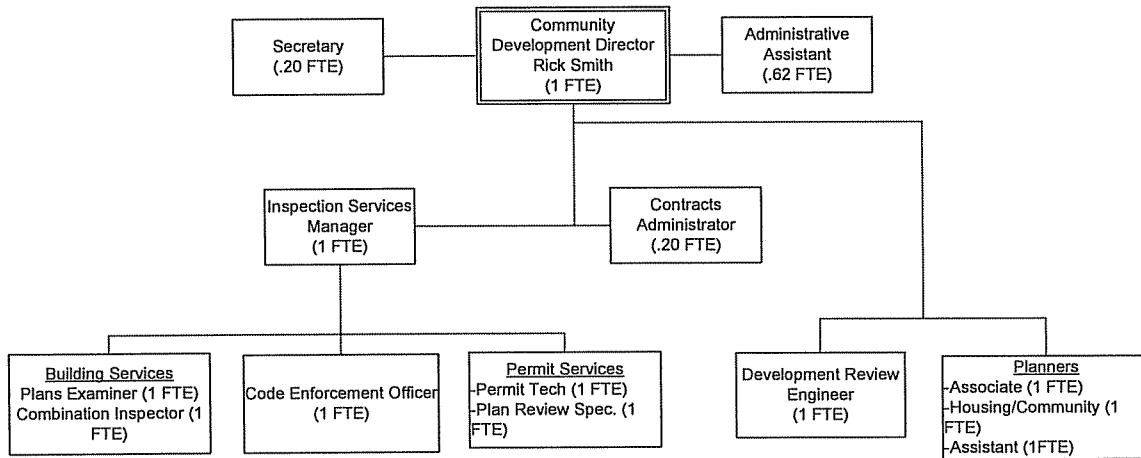
Expenditure Summary

Expenditure by Object	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget	Variance 2009 vs. 2008 Budget	
						Amount	Percent
Professional Services	\$0	\$0	\$0	\$245,000	\$340,200	\$95,200	38.86%
Professional Svc/Admin	34,894	50,721	33,056	0	0	0	N/A
Professional Svc/Fire	1,476	1,159	290	0	0	0	N/A
Professional Svc/Police	4,942	18,875	23,194	0	0	0	N/A
Professional Svc/Police Court	214,189	328,885	358,212	0	0	0	N/A
Professional Svc/Parks	1,608	1,317	1,450	0	0	0	N/A
Professional Svc/Planning	27,680	34,744	37,281	0	0	0	N/A
Professional Svc/Civil Service	0	0	232	0	0	0	N/A
Professional Svc/Personnel	4,866	2,327	319	0	0	0	N/A
Professional Svc/Museum	797	641	348	0	0	0	N/A
Professional Svc/Engineering	4,043	6,620	1,769	0	0	0	N/A
Credit to Achieve Contract Pmt	-79,186	-213,940	-216,762	0	0	0	N/A
Total Expenditures	\$215,309	\$231,349	\$239,388	\$245,000	\$340,200	\$95,200	44.22%

The Legal Department expenditures are charged to the various departments as they are incurred, but are budgeted for as one line item.

Percentage of General Fund Budget

Community Development-Code Enforcement Division
Total 2009 Appropriations \$540,133
6 FTE



Department Description

This Division is responsible for enforcement of the International Building, Mechanical, Fuel Gas Codes and the Uniform Plumbing Code; the State Residential Energy code, and the State Non-residential Energy Code, as well as the National Electrical Code as adopted by the City of Wenatchee.

The Division's work consists of receiving plans and applications, providing a complete plan review, issuing permits, and field inspections. This include receiving comprehensive plan sets for all new commercial, residential, and public construction, as well as, additions and alterations to existing buildings. The division is responsible for overseeing the routing of all construction projects through the various departments with jurisdiction in order to provide a complete plan review package for applicants. The Division is also responsible for code enforcement programs which preserve and enhance the quality of our existing neighborhoods.

2008 Accomplishments

- Completed final inspections of the Wenatchee Events Center.
- Completed final inspections of the Public Services Center.
- Set up system to track code enforcement cases.
- Completed plan review and issued permits for the Wenatchee Valley Medical Center emergency room.

2009 Goals

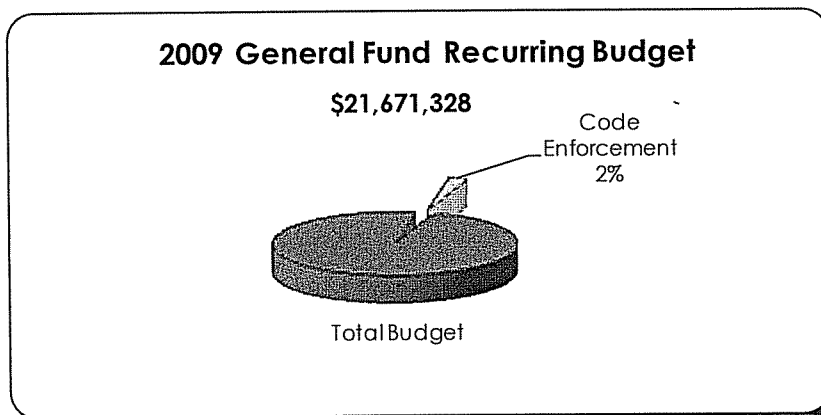
- Complete analysis of a possible rental licensing and inspection program.
- Complete analysis of a program to regulate the conversion of rental dwellings to condominiums.
- Continue to provide opportunities for professional development and certification of professional staff.
- Continue to provide assistance with city projects for city buildings and parks.

Expenditure Summary

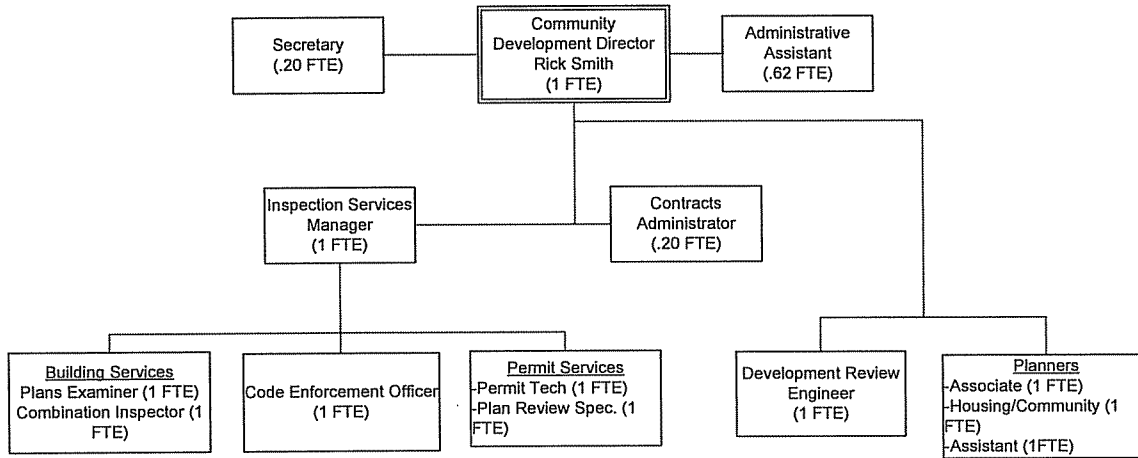
Expenditure by Object	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget	Variance 2009 vs. 2008 Budget	
						Amount	Percent
Salaries & Wages	\$ 204,233	\$ 198,796	\$ 208,654	\$ 216,677	\$ 345,220	\$ 128,543	59.32%
Payroll Taxes & Benefits	55,881	64,997	74,157	83,932	143,445	59,513	70.91%
Supplies	4,509	6,457	5,704	9,045	8,045	(1,000)	-11.06%
Other Services & Charges	46,896	46,623	45,370	46,284	43,423	(2,861)	-6.18%
Total Expenditures	\$ 311,519	\$ 316,873	\$ 333,884	\$ 355,938	\$ 540,133	\$ 184,195	51.75%

Personnel Summary

Position	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget
Plans Examiner	1	1	1	1	1
Combination Inspector	1	1	1	1	1
Permit Specialist	1	1	1	1	1
Permit Review Specialist	0	1	1	1	1
Inspection Services Manager	0	0	0	0	1
Code Enforcement Officer	0	0	0	0	1
Electrical Inspector	1	1	0	0	0
Total Personnel	4	5	4	4	6

Percentage of General Fund Budget

Community Development-Planning Division
Total 2009 Appropriations \$624,844
6.02 FTE



Department Description

This Division is responsible for providing planning services to the City, including review of residential, commercial and industrial projects and community planning.

The planners within the Division are responsible for development reviews, comprehensive plan amendments, rezonings, subdivisions and special studies. The Development Review Engineer undertakes complex engineering analysis of projects and subdivisions. This team ensures that quality development takes place in a timely manner and lawful manner consistent with development regulations.

The Housing/Community Planner coordinates housing and neighborhood revitalization programs and administers related state and federal grant programs.

The Department Director is responsible for formulating long-range community plans that guide the community and improve the quality of life and economic health of the community.

2008 Accomplishments

- Successfully completed the 9th Street Mobile Home Park relocation program.
- Secured a \$125,000 grant from CTED for a study of the Foothills Area.
- Completed Affordable Housing Assessment and formed task force.
- Implemented CDBG Workout Plan and met HUD expenditure requirements.
- Continued to process subdivision and annexation requests in a timely manner.

2009 Goals

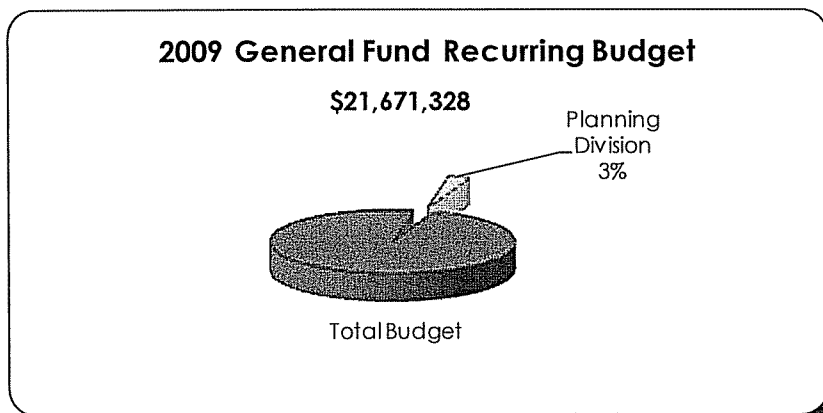
- Evaluate feasibility of Affordable Housing Task Force recommendations to increase the supply of affordable housing.
- Complete the Foothills Study.
- Complete the update of the Critical Areas Ordinance.
- Complete seven year GMA update.
- Develop annexation strategy for enclave areas.
- Facilitate Central Washington Hospital and Walmart expansions.

Expenditure Summary

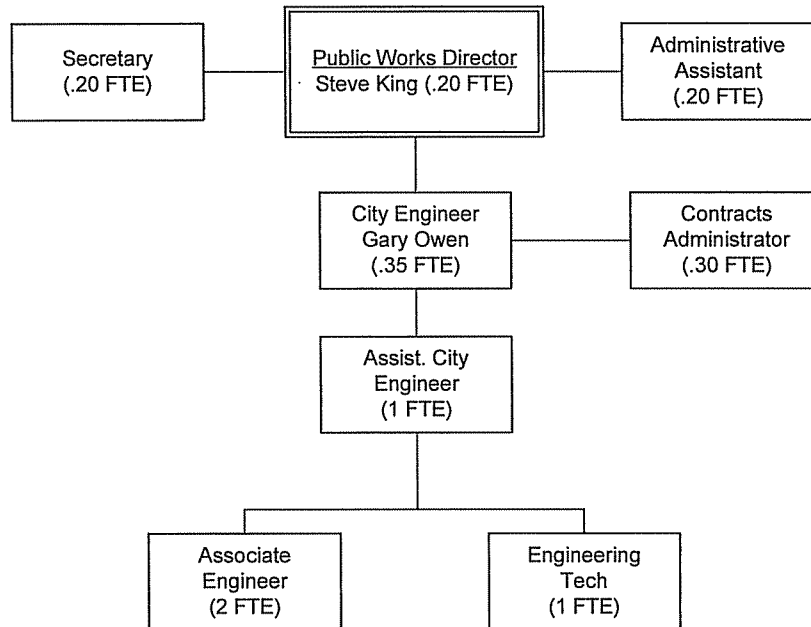
Expenditure by Object	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget	Variance 2009 vs. 2008 Budget	
						Amount	Percent
Salaries & Wages	\$ 258,080	\$ 284,815	\$ 357,553	\$ 489,418	\$ 395,198	\$ (94,220)	-19.25%
Payroll Taxes & Benefits	60,734	74,689	108,939	163,289	125,687	(37,602)	-23.03%
Supplies	7,020	9,985	6,190	13,082	10,582	(2,500)	-19.11%
Other Services & Charges	64,232	79,237	119,833	102,760	93,377	(9,383)	-9.13%
Grant Funded Programs	0	0	0	0	0	0	
Total Expenditures	\$ 390,066	\$ 448,726	\$ 592,515	\$ 768,549	\$ 624,844	\$ (143,705)	-18.70%
Less nonrecurring expenditures:							
Information Technology Additions	0	0	12,587	0	0	0	#DIV/0!
Total Recurring Expenditures	\$390,066	\$448,726	\$579,928	\$768,549	\$624,844	(\$143,705)	-18.70%

Personnel Summary

Position	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget
Community Dev. Director	1	1	1	1	1
Senior Planner	1	1	1	1	0
Code Enforcement Officer	1	1	1	1	0
Administrative Assistant	0	0.64	0.64	0.62	0.62
Development Review Engineer	0	0	1	1	1
Associate Planner	0	0	2	2	2
Assistant Planner	1	0	0	0	0
Housing/Community Planner	1	1	1	1	1
Permit Specialist	1	1	0	0	0
Contracts Administrator	0	0	0.2	0.2	0.2
Secretary	0	0	0.2	0.2	0.2
Total Personnel	6	5.64	8.04	8.02	6.02

Percentage of General Fund Budget

Public Works Department-Engineering Division
Total 2009 Appropriations \$595,624
5.25 FTE



Department Description

The Engineering group of the Public Works Department provides engineering services in terms of operation, maintenance, planning, and design and construction management for the City of Wenatchee infrastructure, including streets, traffic and lighting, parks, domestic water, sanitary sewer, and storm sewer systems. This division is also responsible for managing the construction of infrastructure associated with development.

The Environmental group provides internal service to the City of Wenatchee covering a variety of regulatory areas. The majority of their support is directed to the utilities and associated programmatic activities such as cross connection control, NPDES stormwater compliance, and wastewater pretreatment. Additionally, employees of this group provide safety services for the City and as needed assistance with other issues.

2008 Accomplishments

- Completed the 2007 crack seal project.
- Completed the 2008 overlay project.
- Developed federal stimulus package project scoping and lists.
- Managed the environmental and design process for the Linden Tree outfall project.
- Assisted with the construction of the New Public Works Facility.
- Assisted with completion of the general sewer plan and associated rate study.
- Participated in public meetings associated with sewer extension in the Olds Station and Sunnyslope areas.
- Constructed Lincoln sidewalk project funded by CDBG.
- Managed the design and right of way acquisition of the Riverside Drive project.
- Managed continued development of the stormwater regulatory programs.
- Provided safety training.
- Performed an environmental analysis of contamination at the old Ice Arena.
- Secured funds and installed school flashing beacons on Russell Street

- Performed GIS mapping of the storm and water utilities.
- City staff successfully hired a new Assistant City Engineer
- Maintained maps for the city's infrastructure. There continues to be a backlog of work in this area (estimated at 1 man year). One of the technicians on our staff has substantial CAD expertise and if time permits, this expertise will be utilized to work on the back log and make improvements to our existing mapping efforts.
- Gathered traffic data for the City of Wenatchee street network and made signal timing modifications.
- Participated in the development process with the Community Development Department.
- Reviewed subdivisions and provided engineering review in the development.
- Participated in the Wenatchee Valley Transportation Council and the WSDOT efforts to find solutions to the South End West Sellar Bridge approach project.
- Active participant in the Wenatchee Valley Transportation Council Technical Advisory Committee.
- Active participant in the multi-jurisdictional development of stormwater regulations for Eastern Washington (Phase 2).
- Submitted TIB, STP, CDBG and other state grant applications.
- Assisted with the development and evaluation of reservoir analyses, an overflow study, and reservoir rehabilitation design.
- Assisted with the rehabilitation of the 4 MG reservoir.
- Provided support to the regional water operations and led the regional water coordinating committee.
- Provided oversight of construction of the Brick Street rehabilitation project.
- Managed the construction of the Stemilt Storm Sewer Pipe replacement.

2009 Goals

- Develop a transportation improvement plan addressing congestion topics related to the potential local option licensing fee.
- Perform design and contract management of the 2009 overlay program.
- Provide oversight of construction of the Orondo Moorage project.
- Complete the stormwater comprehensive plan and rate study.
- Oversee the construction of the Riverside Drive project.
- Construct the 2009 CDBG South Wenatchee Sidewalk project.
- Oversee the design and environmental review and right of way acquisition of the Washington and Miller intersection improvements project.
- Oversee the design and environmental review of the McKittrick Street and Wenatchee Avenue Signal project.
- Manage the improvements of North Road through partnerships.
- Provide oversight and assist with the LED signal bulb replacement project.
- Provide oversight of the Stormwater Comprehensive Plan update.
- Complete the Linden Tree Stormwater outfall project.
- Design the North Wenatchee Turn Lane Project.
- Design and construct the Worthen Street Storm and Sidewalk Improvements.
- Design the Lincoln School Safe Routes program.
- Prepare an updated six year street construction program (2010-2015) by June 30, 2009.
- Assist the WSDOT and WVTC with the South end George Sellar Bridge approach project.
- Continue to review new subdivisions for conformance with City of Wenatchee standards and ordinances.
- Provide transportation and traffic engineering services necessary for short and long range transportation planning and budgeting (traffic counting, LOS analysis, etc.)
- Perform grant applications for street, signal, sidewalk, and utility projects.
- Continue involvement in the Eastern Washington Stormwater NPDES permit development and compliance.

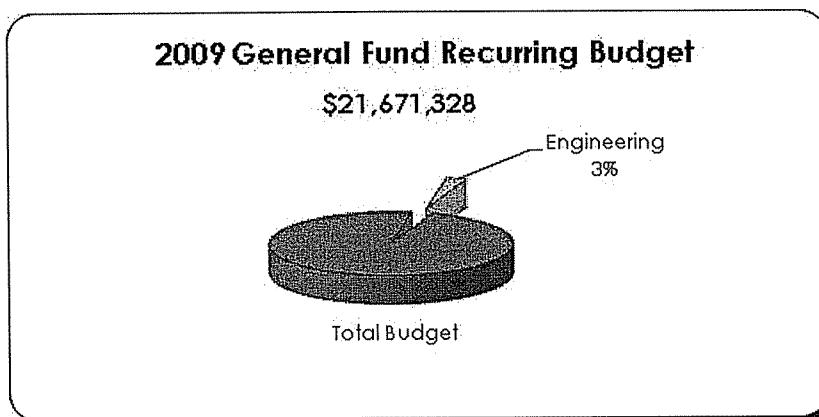
- Continue to provide support to City departments for engineering needs and contracting needs.
- Continue to work on the City's infrastructure records management and updating. Continue work on the development of a sidewalk repair and maintenance program.
- Assist the Community Development Department in the re-write of the City development codes.
- Assist City Hall, Emergency Services, and the Utilities with development of a comprehensive GIS program.

Expenditure Summary

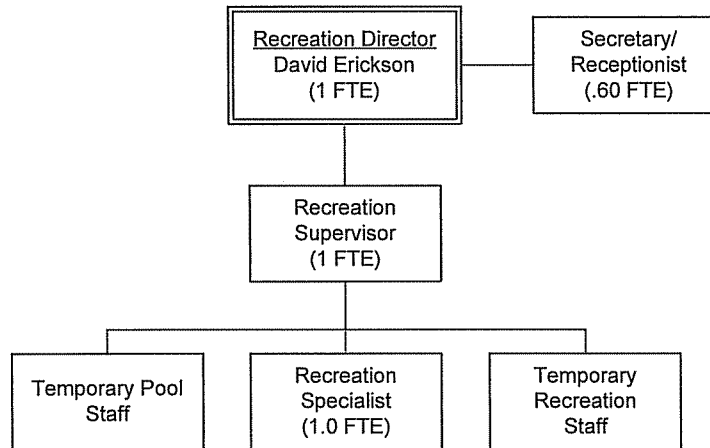
Expenditure by Object	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget	Variance 2009 vs. 2008 Budget	
						Amount	Percent
Salaries	\$ 304,958	\$ 326,782	\$ 321,695	\$ 357,114	\$ 364,294	\$ 7,180	2.01%
Payroll Taxes & Benefits	69,122	83,016	92,560	115,439	125,650	10,211	8.85%
Supplies	5,606	3,287	3,914	7,435	7,435	0	0.00%
Other Services & Charges	64,887	74,848	109,220	102,648	98,245	(4,403)	-4.29%
Intergovernmental	0	5,670	0	0	0	0	n/a
Total Expenditures	\$ 444,573	\$ 493,603	\$ 527,389	\$ 582,636	\$ 595,624	\$ 12,988	2.23%
<u>Less nonrecurring expenditures:</u>							
Information Technology Additions	0	0	9,451	0	0	0	#DIV/0!
Total Recurring Expenditures	\$444,573	\$493,603	\$517,938	\$582,636	\$595,624	\$12,988	2.23%

Personnel Summary

Position	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget
Director of Public Works	0	0	0.23	0.2	0.20
City Engineer	0.8	0.6	0.6	0.35	0.35
Asst. City Engineer	0.7	1	1	1	1
Associate Engineer	2	2	2	2	2
Engineering Technician	1	1	1	1	1
Administrative Assistant	0.15	0	0.2	0.2	0.2
Admin. Assist./Capital Projects	0.45	0.4	0	0	0
Secretary	0	0	0.2	0.2	0.2
Contract Administrator	0	0	0.3	0.3	0.3
Total Personnel	5.1	5	5.53	5.25	5.25

Percentage of General Fund Budget

Recreation/Swimming Pool
Total 2009 Appropriations \$668,730
3.6 FTE



Department Description

The City of Wenatchee provides a Parks and Recreation Department to help realize important outcomes that are vital to make the community a healthy and vibrant place to live, shop, work and play. These outcomes include: Helping create a community image and sense of place, providing opportunities for economic development, increasing safety and security of residents and visitors, providing programs and facilities to enhance the health and wellness of the community, providing opportunities for human development and cultural unity, environmental resource protection, and providing opportunity for community problem solving and recreational experiences.

The primary goal of the Department's Recreation Division is to offer diverse, high quality programs for all ages, interests and abilities within the resources that are available. In 2008 the Recreation Division continued to provide quality recreational programming opportunities by coordinating programs that emphasized fun, safety, community building, skill development and life enrichment.

An additional goal of the Department is to provide a high quality park system that offers a wide variety of recreational opportunities. To this end, the Department manages the operation of the City Swimming Pool and Community Center. It strives to meet park and natural area needs as defined in the City Comprehensive Plan by maximizing outside resources and through planning activities, development of partnerships and grant applications. The city parks and recreation system is maintained and operated by the Parks Division of the Public Works Department.

2008 Accomplishments

- Coordinated successful special events for residents and visitors to the community. These included: The Fourth of July Celebration (10,000 participants), Hershey Track and Field Meet (800), Halloween Carnival (1,500), Washington State Special Olympics Winter Games (2,500) and Winter Flake Festival (2,000). The Department also assisted with a variety of other community events ranging from the Harvest Festival to National Night out.
- Completed the preparation of the Pioneer Park Master Plan, Recreation Center Feasibility Study, Parks and Recreation Strategic Plan and Recreation Program Cost Recovery Plan. Began the development of a Community Forestry Plan through the receipt of a Department of Natural Resources Grant.

- Coordinated diverse recreational program offerings including: Swimming and tennis lessons, iFun, Dog Obedience, Indoor Playground, Night Court, Health promotion, Community Center after school program, special needs Social Program, Polar Bear Splash, Special Olympic sports, spring and fall hike series, Youth Basketball, day camps and concerts and movies in the park.
- Submitted grant applications for projects and programs ranging from Employee Health Promotion to park acquisition and development.
- Worked collaboratively with a variety of organizations such as Wenatchee Valley College, Chelan County, Wenatchee School District, Rotary Club, Chelan-Douglas Land Trust to facilitate the provision of parks and recreational services to residents and visitors to the community.
- Received the Association of Washington Cities Well City Award and American Heart Association Fit Friendly Company Gold Award for employee health promotion.

2009 Goals

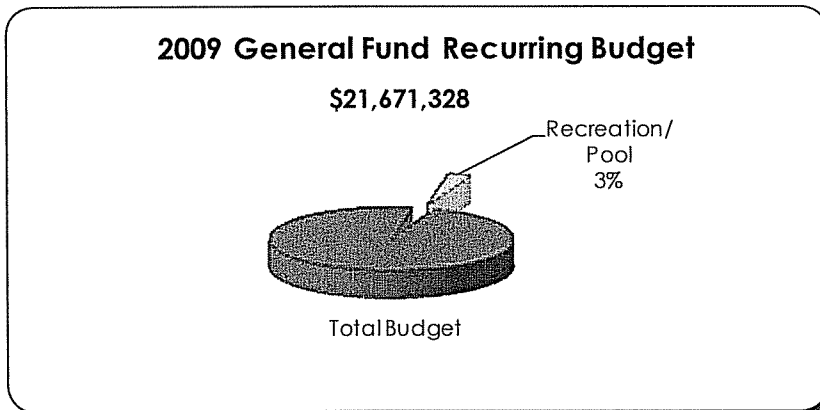
- Provide a wide range of park and recreational services for all interests and age groups within available resources.
- Provide a high quality park system that offers a wide variety of recreational opportunities.
- Provide a wide variety of outdoor and indoor recreation programs to meet the leisure needs of all age groups and interests within available resources.

Expenditure Summary

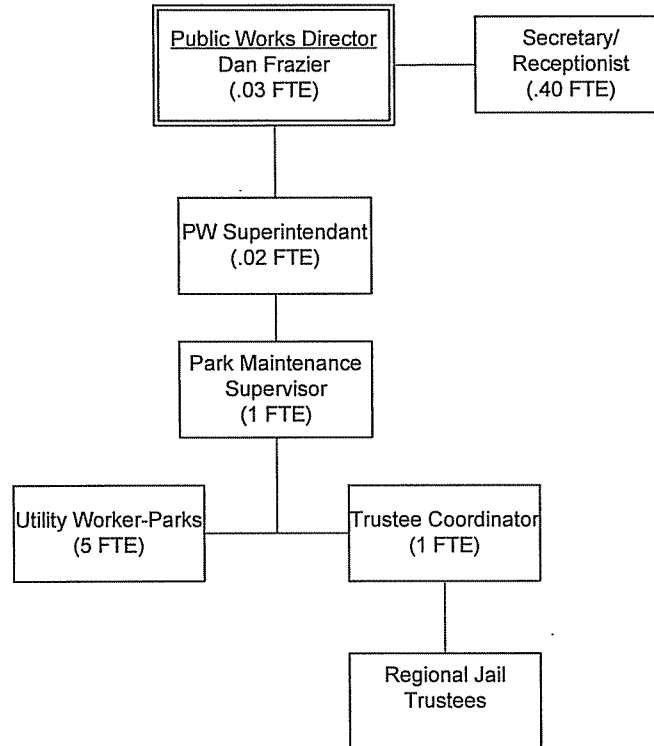
Expenditure by Object	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget	Variance 2009 vs. 2008 Budget	
						Amount	Percent
Salaries	\$ 217,336	\$ 235,317	\$ 285,287	\$ 333,517	\$ 353,607	\$ 20,090	6.02%
Payroll taxes & Benefits	49,719	60,029	74,677	76,232	83,779	7,547	9.90%
Supplies	44,074	54,301	78,905	88,450	79,630	(8,820)	-9.97%
Other Services & Charges	89,299	151,954	129,535	122,851	151,714	28,863	23.49%
Intergovernmental	471	0	8,000	16,000	0	(16,000)	N/A
Total Expenditures	\$ 400,899	\$ 501,601	\$ 576,404	\$ 637,050	\$ 668,730	\$ 31,680	4.97%
Less nonrecurring expenditures:							
Information Technology Additions	0	0	376	0	0	0	#DIV/0!
Total Recurring Expenditures	\$400,899	\$501,601	\$576,028	\$637,050	\$668,730	\$31,680	4.97%

Personnel Summary

Position	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget
Parks & Recreation Director	0	0	0	1	1
Recreation Supervisor	1	1	1	1	1
Recreation Specialist	0.5	1	1	1	1
Facility Supervisor	0.35	0.35	0.675	0	0
Secretary/Receptionist	0.5	0.5	0.55	0.6	0.6
Total Personnel	2.35	2.85	3.225	3.6	3.6

Percentage Utilized of Total Budget

Public Works Department – Parks Maintenance
Total 2009 Appropriations \$840,474
7.45 FTE



Department Description

This division of the Public Works Department has the responsibility for the operation and maintenance of the City's park system. This includes 13 City parks and the landscaping at various locations throughout the City. The Parks Maintenance Division plants and maintains over 100 floral baskets in the downtown core and prunes, maintains and decorates over 300 trees along downtown arterials. The parks crew also maintains the landscaping around city buildings and the Convention Center. The Parks Maintenance Division also provides assistance to the Cemetery Maintenance crew when necessary.

In the winter the Parks Maintenance Division is responsible for snow and ice control for the walkways within the parks as well as all of the sidewalks that adjoin City property. The parks crew also clears the snow and ice at all of the City's buildings including City Hall, the new and old Police Stations, Public Works, the Museum, the Community Center and the Convention Center.

One of the emerging areas of importance for the Parks Maintenance Division is assessing and mitigating the risk exposure in the City's parks. Whether the risk is aging play equipment, changing requirements for ground covering or overhead tree hazards, the Parks Maintenance Division is assessing the risk and attempting to lessen the City's exposure.

2008 Accomplishments

- Maintain pruning of over 300 street trees
- Upgraded softfall safety program
- Replaced non-compliant backflow assemblies
- Coordinated "Make a Difference Day" project at Rotary Park

- Worked collaboratively with the Recreation Division and the City's consultant on the development of a new Parks and Recreation Comprehensive Plan
- Made performance improvements to the Wenatchi (Foothills) Park irrigation system
- Completed hours for Tree City USA program
- Improved swings and swing equipment throughout parks
- Hawley St irrigation repairs
- City Hall landscape and irrigation system
- Helped Cemetery crew remove old road at the Cemetery
- Completed Rotary Splash Pad
- Cross trained with Cemetery to assist in coverage with vacations, sick leave, and other special needs
- Implemented new spray program with Cemetery to improve efficiency and safety.
- Established a better program for aerating and fertilizing
- Added drip system and plants at Thurston Street underpass
- Additional training in playground equipment safety
- Maintained pesticide hours
- Completed landscaping with hydro seed, new plants, and irrigation at Rotary Park

2009 Goals

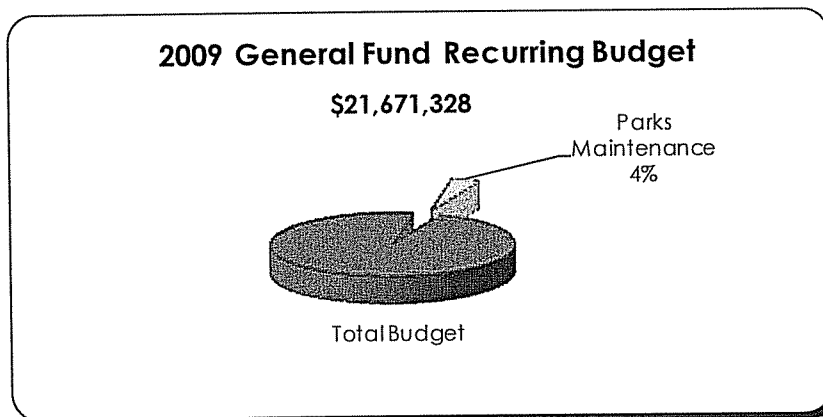
- Install irrigation system on upper 9th St lot
- Anchor additional picnic tables to concrete pads at various parks to decrease damage
- Install new playground equipment at Pioneer Park
- Help with new playground equipment at Pennsylvania Park
- Maximize labor with expanding responsibilities
- Continue guideline for Tree USA standards
- Re-landscape the entrance to Lincoln Park
- Upgrade security cameras for First Street pedestrian bridge
- Continue with new spray program and new sprayer with cemetery
- Assist with cemetery in daily activity to cover for sick leave and vacation
- Assist in the development of Riverside Drive
- Landscape Reservoir #4
- Continue a fertilizer and aeration program
- Maintain pruning of over 300 street trees
- Repair playground at Lincoln Park
- Replace non-compliant backflow assemblies

Expenditure Summary

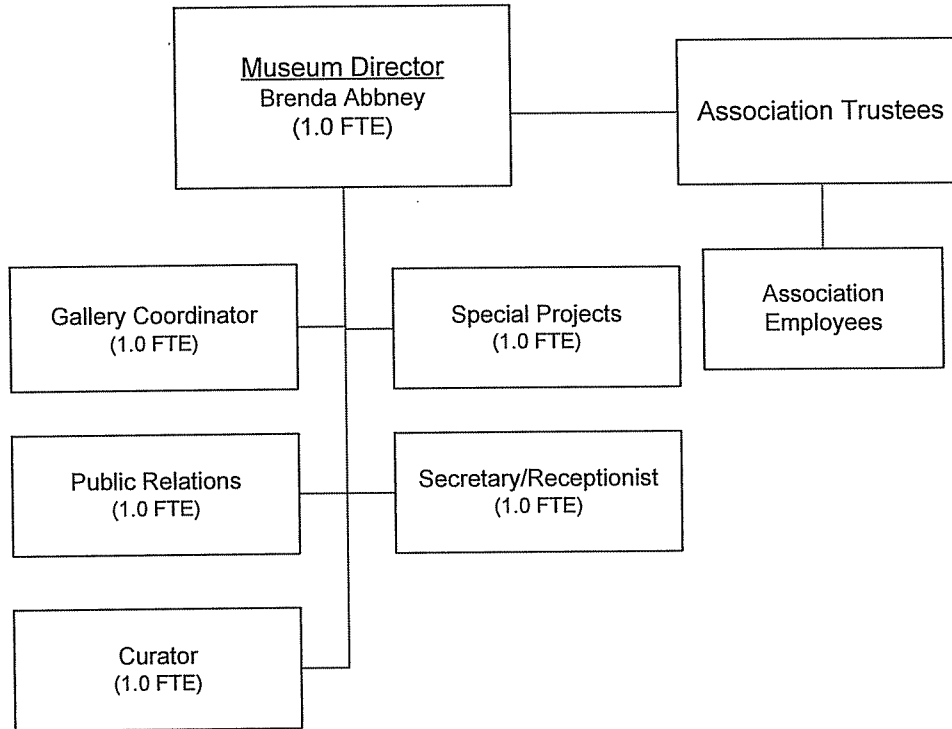
Expenditure by Object	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget	Variance 2009 vs. 2008 Budget	
						Amount	Percent
Salaries	\$ 363,441	\$ 373,597	\$ 396,534	\$ 405,838	\$ 429,302	\$ 23,464	5.78%
Payroll taxes & Benefits	105,222	119,883	131,176	156,932	150,379	(6,553)	-4.18%
Supplies	52,876	63,922	65,386	77,270	64,370	(12,900)	-16.69%
Other Services & Charges	167,223	187,579	198,423	207,975	196,423	(11,552)	-5.55%
Intergovernmental	0	0	0	0	0	0	N/A
Total Expenditures	\$ 688,762	\$ 744,981	\$ 791,519	\$ 848,015	\$ 840,474	\$ (7,541)	-0.89%

Personnel Summary

Position	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget
Public Works Director	0.15	0.15	0.025	0.05	0.03
Public Works Superintendent	0	0	0	0	0.02
Maintenance Manager	0	0	0.15	0	0
Landscape Supervisor	1	1	1	1	1
Trustee Coordinator	1	1	1	1	1
Utility Worker/Parks	5	5	5	5	5
Secretary/Receptionist	0.4	0.4	0.4	0.4	0.4
Total Personnel	7.55	7.55	7.575	7.45	7.45

Percentage Utilized of Total Budget

Wenatchee Valley Museum and Cultural Center
Total 2009 Appropriations \$585,217
6.0 FTE



Department Description

The Wenatchee Valley Museum and Cultural Center provides a wide variety of educational services to Wenatchee and the regional community. The museum's stated mission is to gather and educate people to celebrate and preserve the history, arts, sciences and rich diversity of this region and its people. This mission is fulfilled through a broad spectrum of activities including educational exhibits, lectures and programs that provide enjoyment and education to thousands of people ranging in age from senior to youth and reflecting a diversity of cultures. Museum programs have received statewide recognition for excellence by the Washington State Preservation Office and the Washington Museum Association. Our core function is to interpret, preserve and care for historical artifacts and archives relating to North Central Washington, with an emphasis on the Wenatchee Valley.

WVMCC is a public-private partnership; the City of Wenatchee provides facilities and basic operating staff under a partnership agreement with the Wenatchee Valley Museum and Cultural Center Association, a 501-c-3 non-profit organization. The Association raises funds for additional staff to coordinate educational programs, manage volunteers, provide maintenance and event support. Volunteers provides thousands of hours of donated service each year – in 2008, the equivalent of more than 11 full-time staff members. Funding from the association provides for educational programs, exhibits and preservation of the collections. The community generously supports these activities through donations of time, funds, goods and services. By leveraging the budget provided by the city, the association is able to offer quality public programs that serve the community.

The Museum is located in two historic buildings that house three floors of programming space, collections storage and interpretive exhibits on local history, ethnography, natural history and art, at 127-125 South Mission in downtown Wenatchee. A successful capital campaign by the

museum association garnered more than \$1.3 million in capital improvements to the facilities. These include installing a catering kitchen, handicap accessible restroom facilities, improvements to collection storage and essential repairs to the structure and support systems in the building. Permanent exhibits focus on Native American and pioneering heritage of the region including the historic apple industry, and Great Northern Railroad. The museum also has regular program of changing exhibits, a functional 1919 theater pipe organ, a variety of multimedia programs, large auditorium, catering kitchen, public meeting rooms, and gift shop.

Services provided by the Museum include historic preservation coordination, cultural tourism, community educational programs and mission-related events. Topics include regional history, art, culture, multicultural programs, and related educational activities. The museum acts as a support organization for such diverse affiliated groups as Fiestas Mexicanas, Dancing with Birds, Photography Association of Wenatchee and Two Rivers Gallery to name a few. The museum is proud to have nurtured groups through the affiliate program which have become successful independent organizations, such as Art on The Avenues and the Upper Valley Museum at Leavenworth.

The museum's impact extends throughout the community with our cooperative partnerships and outreach programs. The museum provides historical interpretive signage in downtown and the riverfront parks system. Historical displays have been placed in City Hall, Chelan County Courthouse, and Chelan and Douglas Port Districts. Museum staff has spearheaded the development of community assets like the Memorial Park Cannon Plaza, Centennial Park, Centennial Park Clock, Wenatchee Riverfront Railroad and a variety of public art pieces. The museum achieved national recognition by coordinating the creation of a Guinness World Record Largest Apple Pie (34,000 lbs) – a record which still stands today.

The programs of the Wenatchee Valley Museum and Cultural Center focus on education. All of our activities are aimed at promoting a spirit of interest and an enthusiasm for life-long learning among the general public. Our relationship with the Wenatchee School District is uniquely focused upon youth—our regional community's future.

The museum currently provides "Museum-to-You" boxes on fifteen different topics. These portable educational programs are prepared with the participation of teachers, and are presented in school classrooms throughout the North Central Washington region. Teachers have the option to have the program presented by museum staff and volunteers or they can be checked out for extended use. These capsule programs are very popular with area teachers, and influence thousands of children each year. Schools also take advantage of our museum through field trips and educational tours of the museum exhibits. The museum has a team of trained docents who guide the visiting school tour groups. Each of these docents attends eight weeks of training prior to leading a group and adds tremendous educational value to the tour. The museum also has a highly successful youth summer enrichment series, "Super Summer Adventures."

The Wenatchee Valley Museum and Cultural Center represents the City of Wenatchee's leadership role in education and recreation through the presentation of cultural and heritage programs. The museum is one of the city's prime assets for community development, economic development and cultural tourism. The Museum's active programs specifically address the city's desire for lifelong learning, providing cultural and recreational opportunities, and promoting a livable community.

Wenatchee Valley Museum and Cultural Center:

Ongoing Museum Functions

- Provide public access, interpretation and care of the historic buildings, museum exhibits and collections in trust at the museum for the benefit of the community.
- Provide heritage, arts, cultural, and natural history programming as education and entertainment for a diverse range of visitors and residents served by the museum.

- Act as an anchor for cultural tourism within the community through our own efforts and in partnership with other community organizations.
- Serve as a resource in Historic Preservation for the city's Certified Local Government status and encourage historic re-use of Wenatchee's built environment.
- Assist and advise the City government on issues related to heritage, culture and the arts.

Museum Accomplishments

- Increased the impact of museum programs through a travelling exhibit program, *River of Memory*. Visitation to the off-site exhibit impacted close to 90,000 people in 2008 raising our overall attendance by 208%.
- Served local youth by providing recreation and educational experiences through partnership with the Wenatchee School District. An average of 5% growth has been seen in our popular summer program.
- Achieved designated National Historic District status for Wenatchee downtown through the efforts of our Historic Preservation office, registering 113 properties within the district boundaries.
- Completed Phase I capital improvements to facilities with private, corporate and foundation donation and Washington State grant funding totaling 1.3 million dollars.
- Advise and assist city on art, heritage and cultural issues through the Historic Preservation Board, Arts Commission and Museum staff.
- Increased assistance to community groups by partnering with 17 organizations and non-profit projects that support the museum mission.

2009 Museum Goals

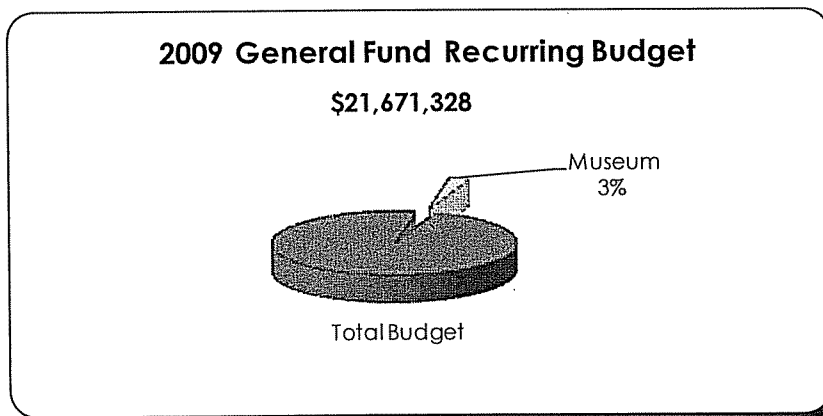
- Begin capital improvements to the historic buildings with grant funding from Heritage Capital Projects grant.
- Create an efficient administrative system of visitor and membership tracking, educational and store inventory and on-line services through grant-funded Gatemaster system.
- Continue the strong partnerships with other community organizations to expand programming opportunity and visibility in other constituent groups.
- Begin a Museum Assessment program to evaluate the effectiveness of the museum's policies and procedures with grant funding.
- Focus on providing quality changing exhibits & programs which engage diverse segments of the community – youth, multicultural, local artists, seniors and families.

Expenditure Summary

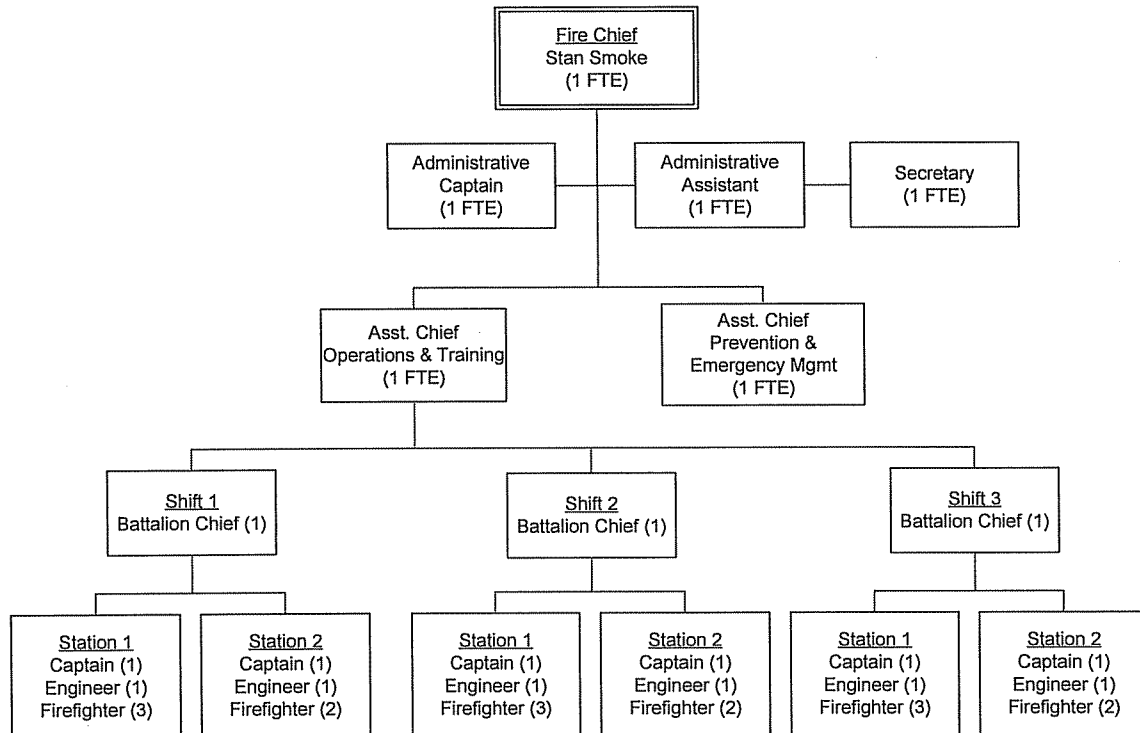
Expenditure by Object	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget	Variance 2009 vs. 2008 Budget	
						Amount	Percent
Salaries	\$ 245,354	\$ 268,057	\$ 296,929	\$ 330,008	\$ 340,135	\$ 10,127	3.07%
Payroll Taxes & Benefits	48,233	69,292	94,280	112,960	126,405	13,445	11.90%
Supplies	5,932	10,864	10,385	15,046	12,500	(2,546)	-16.92%
Other Services & Charges	67,291	90,571	105,074	104,672	106,177	1,505	1.44%
Intergovernmental	0	0	0	0	0	0	N/A
Total Expenditures	\$ 366,810	\$ 438,784	\$ 506,667	\$ 562,686	\$ 585,217	\$ 22,531	4.00%

Personnel Summary

Position	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget
Museum Director	0.8	0.8	1	1	1
Museum Curator	0.8	1	1	1	1
Project Coordinator	0.8	1	1	1	1
Public Relations Coordinator	0.8	1	1	1	1
Gallery Coordinator	0.8	1	1	1	1
Secretary	0.8	1	1	1	1
Total Personnel	4.8	5.8	6	6	6

Percentage Utilized of Total Budget

Fire Department
Total 2009 Appropriations \$3,777,873
36 FTE



Mission Statement

"To provide the highest level of service and protection of life and property to the people who live, work, visit and invest in the City of Wenatchee and the surrounding community."

Administration

The Fire & Rescue Administration consists of the Chief, two Assistant Chiefs, one Administrative Assistant, one Administrative Captain, and one Department Secretary.

The Assistant Chiefs are responsible for the Division of Safety, Operations and Training and the Division of Prevention and Emergency Management respectively.

The Administrative Assistant is assigned to the Office of the Chief and is responsible for all related administrative functions. The Administrative Captain provides division support to the Assistant Chiefs and program development as assigned by the Chief. The Department Secretary is assigned to the Prevention Division.

This Division provides direction, administration and management of the Department. The Department's work plan reflects both short and long term goals and objectives to maximize the use of available resources and provide quality fire, emergency medical services, and other fire protection services to the community.

Safety, Operations, and Training Division

The Assistant Chief of the Division oversees three shifts of ten operational personnel. Each shift is comprised of a Battalion Chief, two Captains, two Engineers and five Firefighters that operate out of two stations and provide emergency response with three-person engine companies at all times.

This Division is responsible for coordinating the department's emergency and non-emergency operations. Levels of service and protection of life and property in the City is provided through the management and maintenance of the Department's resources that include personnel, facilities, apparatus, and equipment. Emergency response includes fire and emergency medical services as well as hazardous materials and technical rescue.

Operational personnel are responsible for ensuring fire code compliance in all commercial occupancies through the Department's fire and life safety inspection program.

This Division is also responsible for ensuring all firefighters are meeting the required Department, State and Federal training standards both for individuals and at the company level.

Prevention and Emergency Management Division

The Assistant Chief of the Division is responsible for the Fire Marshal duties of the City. This Division enforces the International Fire Code and applicable laws and standards through fire and life safety inspections; plan review of sites, buildings and fire protections systems; and investigation of fires.

Public information and education programs including fire safety, injury prevention, and disaster preparedness are delivered in both English and Spanish. These programs are implemented through presentations at public and private schools; fire station tours; supporting the fire and life-safety needs of local business and industry; and at fire safety and injury prevention special events.

The City of Wenatchee's Fire and Rescue Department is responsible for the coordination of emergency or disaster activities related to mitigation, preparedness, response and recovery in the City of Wenatchee. The Fire Chief is designated as the City's Director of Emergency Management.

Organization of emergency or disaster response activities follows the National Incident Management System (NIMS) developed by the Department of Homeland Security (DHS). The Incident Command System (ICS) used by the City of Wenatchee was established through NIMS as the standardized organizational structure for the management of all incidents.

2008 Accomplishments

- Completed an update of City Comprehensive Emergency Management Plan (CEMP).
- Coordinated the 2008 National Incident Management System (NIMS) City compliance.
- Hired three Recruit Firefighters to fill personnel vacancies during 2008.
- Promoted one Battalion Chief, three Captains, and two Engineers to fill personnel position vacancies.
- Revised training record program, improved and streamlined documentation and accountability for individual, company and department competencies and training requirements.
- Improved department incident management levels through training in Incident Command, Tactics, Accountability and Communications (ITAC); Incident Safety Officer Certification (ISO); and Incident Action Plans (NIMS-ICS 300).
- Achieved improved efficiency in training through the department's in-house technician level personnel and instructor training efforts.
- Established a competency-based career development program for the position of Captain.
- Achieved improved efficiency in fire and life safety inspections and fire and injury prevention presentations.
- Received award for \$94,500 Assistance to Firefighter Grant for the department's Self-Contained Breathing Apparatus program.

- Partnered with NCW Fire Chiefs and City Public Works on Chelan/Douglas County mapping project to complete GIS mapping layers for the City.
- Hosted the 32nd annual Wenatchee Fire and Rescue Department softball tournament.
- Hosted the 2008 Washington Fire Chiefs Conference.

2009 Goals

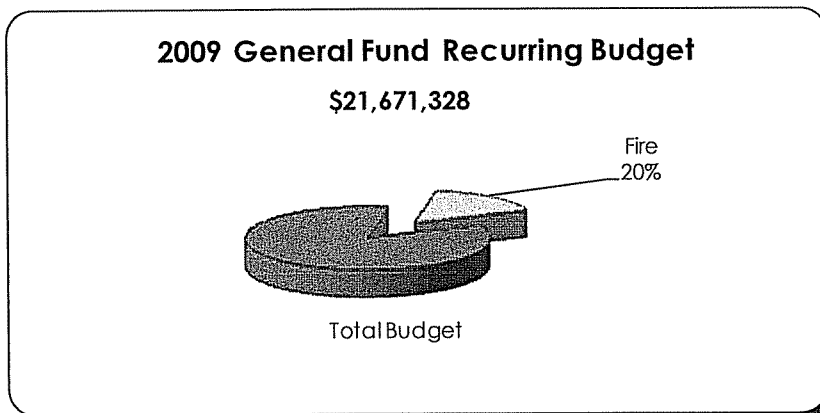
- Continue planning and accountability emphasis throughout Department with 2009 work plan and subsequent goals, objectives and action plans.
- Continue to seek funding alternatives and efficiencies to counter budget cuts and maintain present programs and services.
- Continue capital fire facility project as directed by Council for future voter approval of general obligation bonds to finance the design and construction of a new headquarter station.
- Increase the use and efficiency of the Fire House Data Management system in personnel and program management, inventory programs, training records, and data reporting.
- Maintain current Civil Service eligibility lists through promotional assessment center exams for the positions of Captain (March 2009), Battalion Chief (July 2009), and Engineer/Driver (September 2009).
- Coordination of 2009 National Incident Management Systems (NIMS) compliance for the City.
- Coordinate City Emergency Management program with Chelan County, the Region Seven Emergency Management Council, and State Emergency Management Division Programs.
- Continue to strengthen cooperation and partnerships with area public safety agencies through regular inter-agency meetings, training, and exercises.
- Host 33rd annual Wenatchee Fire and Rescue Department softball tournament.

Expenditure Summary

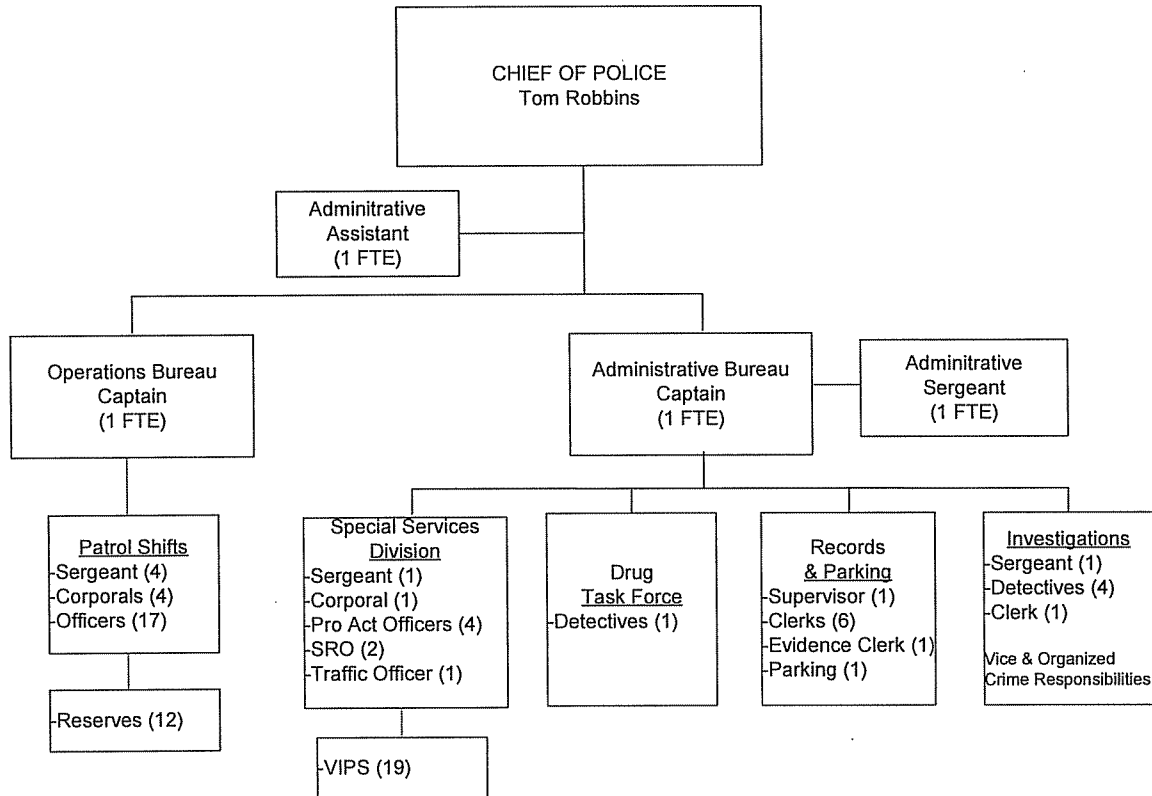
Expenditure by Object	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget	Variance 2009 vs. 2008 Budget	
						Amount	Percent
Salaries	\$2,329,980	\$2,225,449	\$2,502,202	\$2,516,014	\$2,665,580	\$149,566	5.94%
Payroll Taxes & Benefits	577,797	668,658	662,074	695,783	740,491	44,708	6.43%
Supplies	75,572	95,812	77,460	97,819	95,469	(2,350)	-2.40%
Other Services & Charges	306,868	371,102	406,990	407,353	276,333	(131,020)	-32.16%
LEOFF 1 Retiree Medical	306,315	310,677	310,562	308,527	282,507	(26,020)	-8.43%
Grant Funded Programs	0	0	0	0	0	0	n/a
Total Expenditures	\$3,596,532	\$3,671,698	\$3,959,288	\$4,025,496	\$4,060,380	\$34,884	0.87%
Less nonrecurring expenditures:							
Information Technology Additions	0	0	3,009	0	0	0	#DIV/0!
Total Recurring Expenditures	\$3,596,532	\$3,671,698	\$3,956,280	\$4,025,496	\$4,060,380	\$34,884	0.87%

Personnel Summary

Position	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget
Fire Chief	1	1	1	1	1
Administrative Aide to the Chief	1	1	1	1	1
Asst Chief (Operations & Training)	1	1	1	1	1
Asst Chief (Prev. & Emerg. Mgmt)	1	1	1	1	1
Battalion Chief	3	3	3	3	3
Suppression Captains	7	6	6	7	7
Suppression Engineers	6	6	6	6	6
Suppression Fire Fighters	15	16	16	15	15
Fire Prevention Secretary	1	1	1	1	1
Total Personnel	36	36	36	36	36

Percentage of General Fund Budget

Police Department
Total 2009 Appropriations \$6,364,898
55 FTE

**Mission**

We promote a safe community and quality of life through protection and service.

ADMINISTRATION

The Police Department Administration consists of the Chief, two Captains, one Administrative Assistant and one Administrative Sergeant.

The Captains are responsible for the Patrol Bureau and the Administrative Bureau respectively.

The Administrative Assistant is assigned to the Office of the Chief, and is responsible for all related administrative functions.

The Administrative Sergeant is responsible for Asset Management, Evidence System, Public Information, Training, Recruit/Volunteer Background Investigations, Assistant Accreditation Manager, Newsletter and other administrative functions as necessary.

PATROL DIVISION

The four sergeants, four corporals and sixteen officers who make up this division, are responsible for high profile street level law enforcement and public safety service in our community.

They seek community partnerships and practice a problem solving approach in addressing safety and law enforcement related issues. These personnel enforce all state and local statutes and ordinances.

Each patrol shift has one Gang Interdiction Officer that coordinates activities with the Pro-Act Unit.

SPECIAL SERVICES DIVISION (SSD)

This division includes 1 Sergeant, 1 Corporal, 4 Pro-Act Officers, 2 SRO's and 1 Traffic Officer and 1 Traffic Safety Task Force Coordinator.

The Corporal assists the supervisor, takes the lead in handling Community Relations and VIPS (Volunteers in Police Service) supervision.

The four Pro-Act Officers perform comprehensive Gang Interdiction and Investigations as well as a wide range of pro-active enforcement and department/community support projects.

The School Resource Officers provide the enforcement presence at Wenatchee School District campuses during the school year. They also provide support and counsel to the students as appropriate.

The Traffic Officer is responsible for Traffic Safety Education and Enforcement throughout the City. (A second traffic officer position remains open due to an open FTE position)

All personnel in SSD coordinate together as a team and support each other's functions as needs dictate.

The Police Department functions as the lead agency hosting the Chelan/Douglas County Traffic Safety Task Force. This division houses the Task Force Coordinator (on contract with the Washington Traffic Safety Commission), who manages the dual-county traffic safety enforcement and education programs.

The VIPS (Volunteers in Police Service), and related activities are managed by the supervisors in this division.

This division manages the Police Department's role as the lead agency in facilitating the local Wenatchee Valley CRIMESTOPPERS Chapter activities, in collaboration with the civilian CRIMESTOPPERS Board of Directors and allied agencies.

Members of the SSD take the lead role in facilitation of the Community Based Partnerships and Problem Solving Processes as necessary to support community safety.

COLUMBIA RIVER DRUG TASK FORCE

The Task Force is a partnership with the Wenatchee Police Department and the Chelan County Sheriff's Office. It is primarily funded by the two jurisdictions and receives several drug investigation and interdiction grants. This Task Force has one member from the Police Department, three including a Sergeant from the Chelan County Sheriff's Department and one Detective from the Washington State Patrol. The scope of their work includes all levels of drug investigations.

INVESTIGATIONS DIVISION

One Sergeant, four Detectives and one Clerk are assigned to the Investigations Division. This division is responsible for investigation of all major crimes, and criminal acts requiring follow-up beyond that which the uniformed officer provides. They also serve as a resource, working with businesses, community groups and neighborhoods in an effort to make our city more crime resistant.

PARKING ENFORCEMENT

This Civilian Enforcement Officer is responsible for enforcement of "timed parking", ordinances within the commercial district of Wenatchee. This is a self supporting position and reports to the Records Division.

RECORDS DIVISION

The Records Division is supervised by the Support and Technical Services Manager and consists of seven Records Clerks, including one that serves as a Lead Worker. These personnel process and maintain all documents generated by the Police Department. They are responsible for the integrity and legal dissemination of the information contained in the Police Records System.

One Clerk functions as the agency Evidence Officer.

RESERVE PROGRAM

The agency is fortunate to have a Police Reserve Program, made up of twelve individuals who volunteer their time to undergo the required training, and perform specific reserve related police functions and assist regular officers as necessary.

VOLUNTEERS IN POLICE SERVICE (VIPS)

The department has nineteen citizen volunteers who make up our Volunteers in Police Service. This is a nationally recognized program under Homeland Security, listed on a national web-site.

These volunteers provide public safety related service to the community on behalf of the Police Department, that limited resources would not otherwise allow. They perform functions such as; citizens patrol, residential security, crime prevention activities, fingerprinting for employment requirements and firearms permits, traffic control, movement of the speed monitoring trailer, graffiti watch and many others as necessary. They enforce parking restrictions on residential streets and in store parking lots.

2008 Accomplishments

- Reorganized the Neighborhood Resource Team to the Special Services Division
- Developed a Pro-act Team for proactive Gang Interdiction and Investigation
- Continued to expand and upgrade regional training within the department
- Continued to utilize the PTO (Police Training Officer) Program to train new personnel in the agency.
- Took the lead throughout the valley in Gang Interdiction and Investigation
- Participated in illegal drug investigations with one investigator assigned to the Columbia River Drug Task Force
- Participated in CIT(Crisis Intervention Team) training, now with over 55% of personnel trained (support to citizens suffering from mental health issues)
- VIPS(Volunteers in Police Service) personnel conducted Neighborhood Graffiti Clean-up Projects throughout the year
- VIPS personnel managed the Substation at the Community Center(after school youth program, through July of 2008, when the program was transitioned to the City Parks Department
- Utilized the 2008-2010 Strategic Plan as a guide to planning and operation
- Promoted one replacement Corporal from the Civil Service Promotional Roster
- Hired six lateral entry Police Officers to take the place of those that retired and to fill an additional position
- In Car-Video Systems were replaced with upgraded units in all line patrol vehicles
- Integrated ongoing use of the new City Of Wenatchee Web-site into our operations
- Recognized one dozen Police personnel and four citizens for outstanding performance and lifesaving efforts in 2008
- Began integration of the SECTOR/E-Trip automated Citation and Collision Reporting systems in patrol vehicles (installed in three vehicles)

- Integrated Live Scan Automated Fingerprint System in Records Division
- Integrated the In-demand Internet- based Interpreting System in Police Department Reception area to better serve non-English speaking citizens

2009 Goals

- Complete WASPC (Washington Association of Sheriffs and Police Chiefs) Re-accreditation utilizing the new standards adopted in 2007
- Continue a progressive Traffic Safety Program
- Complete the authorization and installation process for a Red Light Camera Enforcement Project
- Research to use of School Zone Camera Enforcement
- Utilize the 2008-2010 Strategic Plan to prioritize and carry out progressive activities to reach departmental goals
- Partner with the Community Development Department to conduct a Hulk Removal Program within the City
- Partner with other City departments and community groups to provide necessary assistance to the homeless and people with mental disabilities
- Continue utilizing Public Safety Testing.com in an effort to identify and recruit qualified personnel, to include minorities and protected class
- Coordinate with the City Civil Service Commission to plan and conduct a Sergeant/Corporal Promotional Examination to establish and Eligibility Roster for 2009-2011
- Continue to seek Homeland Security and other federal grant opportunities to support street level law enforcement functions
- Continue to coordinate with the Human Resource and Fire Departments to develop a Pandemic Flu Contingency Plan
- Coordinate with the Wenatchee School District and partner agencies to conduct an Emergency Exercise using the School Mapping and Emergency Response Plans
- Conduct one Citizens Academy
- Continue to seek funding to add operating equipment to the Police Department Emergency Operations Center
- Continue to enhance the level and quality of Regional Training at the Police Department
- Continue acquisition of SECTOR/E-Trip Citation and Collision Reporting Systems inclusive of all thirteen line patrol vehicles

Expenditure Summary

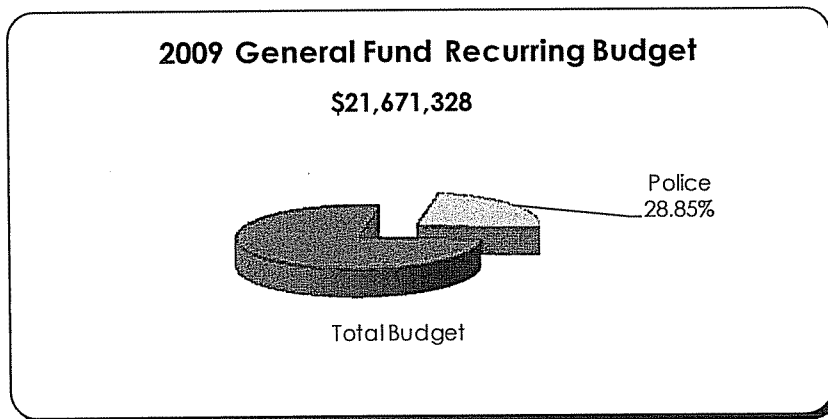
Expenditure by Object	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget	Variance 2009 vs. 2008 Budget	
						Amount	Percent
Salaries	\$3,040,984	\$3,362,053	\$3,453,164	\$3,819,458	\$3,944,898	\$125,440	3.28%
Payroll Taxes & Benefits	942,245	1,096,766	1,083,665	1,392,293	1,436,802	44,509	3.20%
Supplies	73,950	63,438	100,927	84,803	83,303	(1,500)	-1.77%
Other Services & Charges	733,922	870,694	871,046	944,538	899,895	(44,643)	-4.73%
Intergovernmental	457	497	306	0	0	0	N/A
LEOFF 1 Retiree Medical	276,778	231,822	269,438	271,473	297,493	26,020	9.58%
Total Expenditures	\$5,068,336	\$5,625,270	\$5,778,546	\$6,512,565	\$6,662,391	\$149,826	2.30%
<u>Less nonrecurring expenditures:</u>							
Information Technology Additions	0	0	20,709	0	0	0	#DIV/0!
Total Recurring Expenditures	\$5,068,336	\$5,625,270	\$5,757,837	\$6,512,565	\$6,662,391	\$149,826	2.30%

Personnel Summary

Position	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget
Police Chief	1	1	1	1	1
Captain	2	2	2	2	2
Sergeant	7	7	7	7	7
Corporal	4	5	5	5	5
Officer	27	25	27	27	29
Total police officers	41	40	42	42	44
Records Supervisor	1	1	1	1	1
Administrative Assistant	1	1	1	1	1
Clerk	7	7	7	7	7
Evidence Technician	1	1	1	1	1
Parking Enforcement	1	1	1	1	1
Total support staff	11	11	11	11	11
Total Personnel	52	51	53	53	55

Note: During the years 2003 through 2005 the wage costs for 1 sergeant and 1 clerk were charged against the Columbia River Drug Task Force.

Percentage of General Fund Budget



Public Defender/District Court
Total 2009 Appropriations \$468,700
0 FTE

Description

This portion of the General Fund budget consists of three items, which include expenses related to public defense, district court services and jury/witness fees.

Public Defender

State Law requires the City of Wenatchee to provide legal representation in all criminal matters for which the Chelan County District Court, on behalf of the City, makes an appointment for an attorney on the basis of the person's indigence (inability to pay). In the latter part of 2006 the City entered into a four-year contract covering calendar years 2007-2010 for public defender services with the law offices of Woods & Brangwin, and Bell & Tibbits. The contract provided for total compensation in 2007 to the two firms of \$201,137.83, and \$221,251.61 in 2008 that was split equally between them. Payments for the years 2009 and 2010 are to be the same as the previous year, plus an increase equal to any cost of living increase given the City's non-union employees. In 2009 the payment to the firms increases by 4.5% for a total of \$231,208, or \$115,604 for each firm.

In addition to the amount paid to the contracted public defenders the City is responsible for costs relating to interpreting, expert witness fees, copying and videotaping, blood tests and conflict of interest attorneys, and in 2009 we have budgeted another \$14,992 for these expenses.

District Court

Rather than operate a municipal court of its' own, the City of Wenatchee contracts with the Chelan County District Court for court services pertaining to non-felony violations. The 2009 Budget marks the fourth year of a four-year agreement between the City and County for these services. Under the contract, the City will be billed for court services each month based upon the number of case filings multiplied by a predetermined case filing fee. Fees through the life of the contract are as follows:

	Traffic Infractions		Non-Traffic Infractions	
	Filing Fee	% Increase	Filing Fee	% Increase
2005	\$40.00	-----	\$41.00	-----
2006	\$41.50	3.75%	\$42.50	3.66%
2007	\$43.00	3.61%	\$44.00	3.53%
2008	\$44.50	3.49%	\$45.50	3.41%
2009	\$46.00	3.37%	\$47.00	3.30%

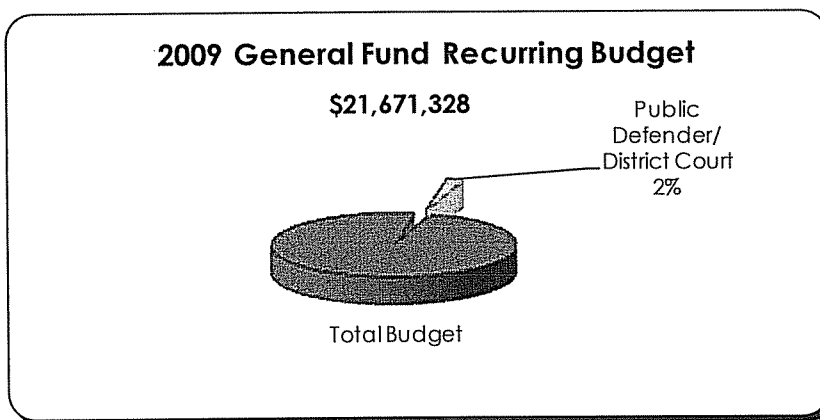
Jury/Witness Fees

Jury and witness fees are assessed by the Chelan County District Court based upon the cost of jury's that are seated for cases involving misdemeanors or gross misdemeanors, and those cases that require professional witness testimony.

Historical costs incurred for each of these services, as well as the 2009 budget are as follows:

Expenditure by Object	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget	Variance 2009 vs. 2008 Budget	
						Amount	Percent
Public Defender	\$ 217,703	\$ 224,966	\$ 236,805	\$ 249,500	\$ 258,700	\$ 9,200	3.69%
District Court	156,926	176,137	184,786	185,000	200,000	15,000	8.11%
Jury Fees	10,691	9,038	4,413	8,500	9,000	500	5.88%
Witness Fees	528	877	653	1,000	1,000	-	0.00%
Total Expenditures	\$ 385,848	\$ 411,018	\$ 426,656	\$ 444,000	\$ 468,700	\$ 24,700	5.56%

Percentage of General Fund Budget



Chelan County Regional Justice Center (the jail)

**Total 2009 Appropriation \$1,964,000
0 FTE**

Description

The City of Wenatchee is a partner with Chelan and Douglas Counties in the operation and maintenance of the Chelan County Regional Justice Center. The jail structure itself is owned and operated by Chelan County. The share of operating and maintenance costs borne by each partner in a given year is determined by that partners' share of prisoners relative to the total prisoner population. The City's costs related to this program are reflective of rapidly increasing costs of operations coupled with a greater population of "City" prisoners. A seventeen-year history of City costs follows:

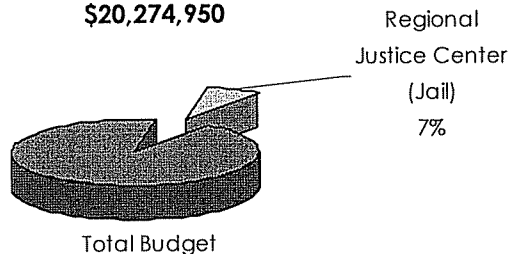
Year	Amount	Difference	
		\$	%
1993	335,544		
1994	358,724	23,180	6.91%
1995	392,397	33,673	9.39%
1996	377,369	(15,028)	-3.83%
1997	523,352	145,983	38.68%
1998	601,252	77,900	14.88%
1999	611,381	10,129	1.68%
2000	623,918	12,537	2.05%
2001	633,759	9,841	1.58%
2002	675,588	41,829	6.60%
2003	762,900	87,312	12.92%
2004	852,828	89,928	11.79%
2005	982,179	129,351	15.17%
2006	981,700	(479)	-0.05%
2007	1,259,975	278,275	28.35%
2008	1,623,905	363,930	28.88%
2009	1,964,000	340,095	20.94%

*1993 through 2007 are actual operating costs
and 2008 and 2009 are budgeted.*

Percentage of General Fund Budget

2008 General Fund Recurring Budget

\$20,274,950



Rivercom
Total 2009 Appropriation \$889,100
0 FTE

Description

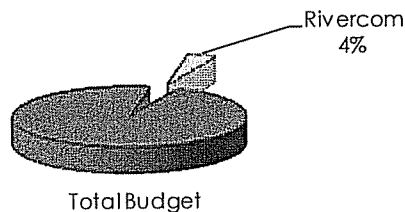
Within the Wenatchee geographic area, dispatch services for public safety (police, fire, sheriff and ambulance companies) had historically been provided by a number of agencies:

- The City of Wenatchee dispatched for City police and fire, ambulance companies, and a number of fire districts located in Chelan and Douglas Counties.
- Chelan County dispatched for their sheriffs office.
- Douglas County dispatched for their sheriffs office, the City of East Wenatchee police department and a number of fire districts.
- The City of Chelan dispatched for their police department.

Over the years it was recognized that it would be more efficient if dispatch services were provided by a single agency and after much effort by each of the aforementioned organizations a single entity known as Rivercom was created and became operational on July 1, 2004.

The cost of operating Rivercom is allocated among each of the benefiting agencies based upon their relative share of dispatches applied as a percentage of the total operating budget. The City of Wenatchee's cost for dispatch services under Rivercom has been as follows:

Expenditure by Object	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget	Variance 2009 vs. 2008 Budget	
						Amount	Percent
Payroll Taxes & Benefits	\$0	\$0	\$0	\$0	\$0	\$0	NA
Supplies	0	0	0	0	0	0	#DIV/0!
Other Services & Charges	906,108	822,829	800,228	812,000	889,100	77,100	9.50%
Intergovernmental	0	0	0	0	0	0	NA
Capital Outlay	0	0	0	0	0	0	NA
Total Expenditures	\$906,108	\$822,829	\$800,228	\$812,000	\$889,100	\$77,100	9.50%

Percentage of General Fund Budget**2009 General Fund Recurring Budget****\$21,671,328**

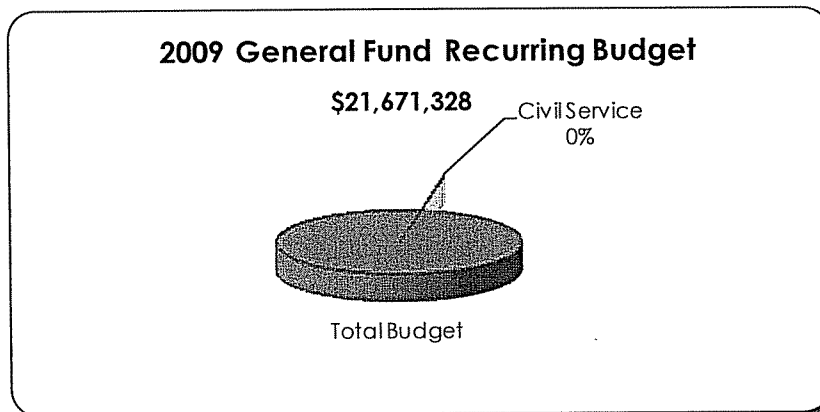
Civil Service
Total 2009 Appropriations \$17,300
0 FTE

Department Description

One of the more obvious functions of the Civil Service Commission is their charge to provide the police and fire departments with a slate of candidates to fill vacant police officer and firefighter positions. The Commission is composed of three City residents who are recommended by the Mayor and approved by the City Council. Activities of the Civil Service Commission include the creation and enforcement of rules and regulations regarding examinations, appointments, promotions, suspensions and discharges as well as investigating matters concerning the applications of the civil service ordinance.

Expenditure Summary

Expenditure by Object	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget	Variance 2009 vs. 2008 Budget	
						Amount	Percent
Payroll Taxes & Benefits	\$0	\$0	\$0	\$0	\$0	\$0	NA
Supplies	382	886	1,705	1,000	1,000	0	0.00%
Other Services & Charges	11,905	11,219	13,742	16,500	16,300	(200)	-1.21%
Intergovernmental	0	0	0	0	0	0	NA
Capital Outlay	0	0	0	0	0	0	NA
Total Expenditures	\$12,287	\$12,105	\$15,447	\$17,500	\$17,300	(\$200)	-1.14%

Percentage of General Fund Budget

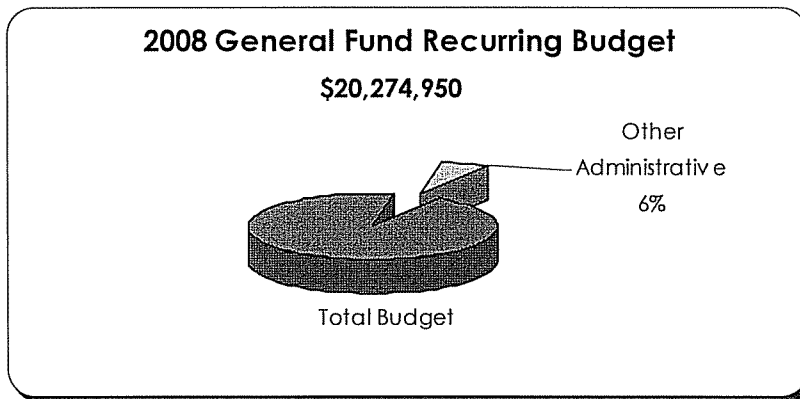
Other Administrative
Total 2009 Appropriations \$1,635,365
(Recurring = \$1,540,965)
(Nonrecurring = \$94,400)
0 FTE

Department Description

The Other Administrative portion of the General Fund accounts for those activities that are not specific to the functions of any particular General Fund departmental operation. Expenditures recorded here are composed of debt service payments for LTGO/councilmanic bond issues, physical support of existing City facilities, property/casualty insurance premiums and support of agencies external to the City that provide social, cultural, recreational and economic development services to the City populace. For a more in depth discussion regarding the debt service payments that will be made during 2009 please reference Part 9 of this budget document.

The City has designated appropriations in this portion of the budget into what we consider as either recurring or non-recurring activities. Those appropriations that are of a recurring nature represent long-term obligations of the City. Those appropriations that are nonrecurring in nature represent commitments that are evaluated on an annual basis or are clearly "one-time" expenditures.

Percentage of General Fund Budget



Following is a list of all such expenditures for the 5-year period 2005 through 2009:

	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget
Recurring					
<u>Debt Service</u>					
<u>External</u>					
1993 Councilmanic Bonds (2008)	12,480	11,926	12,137	12,294	0
1997 Councilmanic Bonds (2006)	54,963	57,613	0	0	0
1998 Councilmanic Bonds (2014)	201,766	201,766	201,766	201,766	201,766
2007 Councilmanic Bonds (2022)	0	0	0	12,093	11,449
Total external debt payments	269,209	271,305	213,903	226,153	213,215
<u>Internal</u>					
Cemetery Trust Fund for Perf. Arts Cntr. (2009)	36,165	36,251	36,341	34,642	34,642
Cemetery Trust Fund for PFD Event Cntr. (2018)	0	0	0	17,877	71,508
Water/Sewer Fund for CERB Grant Loan (2010)	0	0	0	5,825	23,300
Total internal debt payments	36,165	36,251	36,341	58,344	129,450
Total debt service payments	305,374	307,556	250,244	284,497	342,665
City Services Building Maintenance	223,104	239,676	257,052	280,700	281,800
Property/Liability Insurance	398,700	398,700	398,700	398,700	398,700
Animal Control	147,605	151,590	166,749	183,400	199,900
Hospitality House	14,326	16,519	12,518	14,600	16,100
Women's Resource Center	6,039	6,000	6,000	6,000	6,000
Wenatchee Downtown Assoc.	15,000	20,000	20,000	20,000	22,000
Senior Center	2,500	3,200	3,200	3,500	3,500
North Central Regional Library	28,853	40,120	45,243	54,854	58,800
Fund 206 - LID 314/316	0	48,000	0	0	0
Trans. To #110 - LTC LEOFF 1 Fire/Police	105,000	0	120,000	135,000	151,500
Trans. To Fund #430-Cemetery	0	0	67,791	47,204	60,000
Total Recurring	1,246,501	1,231,361	1,347,497	1,428,455	1,540,965
Nonrecurring					
Transfers to other funds					
Trans. To Fund #205-\$3.1 million BAN interest	0	0	0	0	94,400
Trans. To Fund #308-PW Facility	0	574,000	0	0	0
Trans. To Fund #430-Cemetery	86,600	35,400	33,000	5,000	0
Trans. To Fund #306-Police Station Construction	39,169	0	0	0	0
Trans. To Fund #304-Community Cntr. Contruction	51,000	74,000	0	0	0
Trans. To Fund #109-Walla Walla Ave.	0	0	728,957	0	0
Trans. To Fund #109-Riverside Drive	0	0	380,000	0	0
Trans. To Fund #504-Museum Roof	0	0	100,000	0	0
Trans. To Fund #505-Information Systems	0	10,011	105,930	62,685	0
Trans. To Fund #112-Ice Arena brine removal	0	0	0	108,000	0
Trans. To Fund #503-new police vehicles	0	0	0	111,540	0
Trans. To Fund #311-Council Chamber upgrades	0	0	0	20,000	0
Trans. To Fund #314-City Invest. In Event Center	0	0	0	1,780,954	0
Total transfers to other funds	176,769	693,411	1,347,887	2,088,179	94,400
WA State Department of Retirement Systems	0	0	34,200	10,405	0
WDA - BID Feasibility Study	0	9,721	0	0	0
Planning - Aerial Orthophoto	0	14,592	0	0	0
Total Nonrecurring	176,769	717,724	1,382,087	2,098,584	94,400
Total	1,423,270	1,949,085	2,729,584	3,527,039	1,635,365

Capital Outlay
Total 2009 Appropriations \$150,000
0 FTE

Department Description

For the purposes of budgeting and financial reporting, the City of Wenatchee defines capital outlay as the purchase or construction of a fixed asset with a cost of at least \$5,000 and an estimated useful life of at least four (4) years. The following schedule provides a list of award amounts by General Fund department for the years 2005 through 2009:

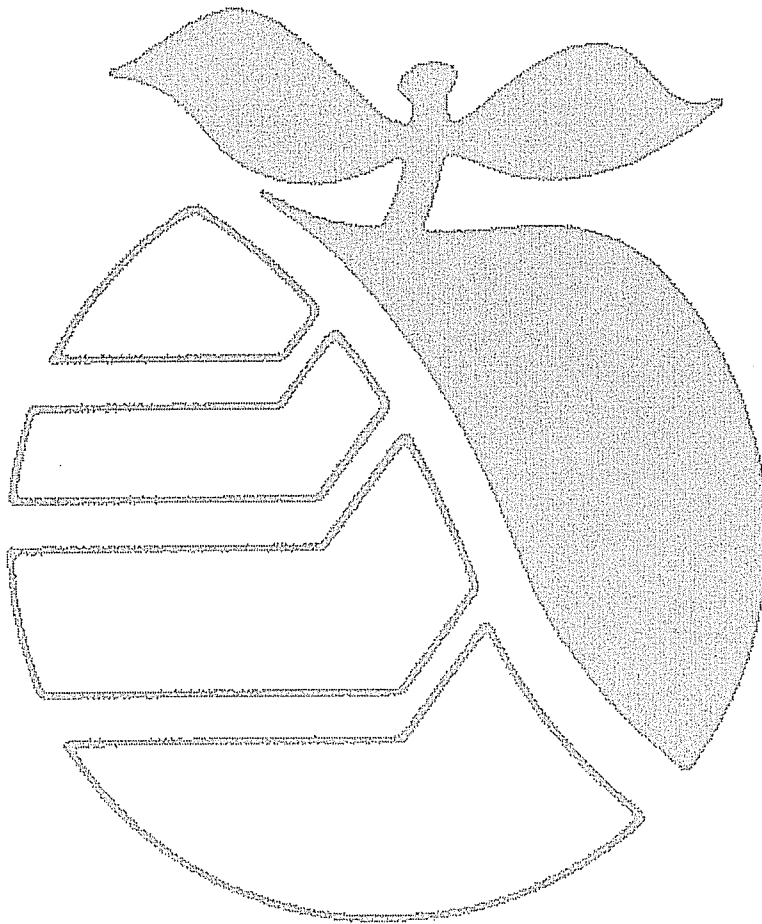
Department	Budget Amount Awarded				
	2005	2006	2007	2008	2009
Mayor/Council	0	25,000	36,500	0	150,000
Planning	5,125	0	0	0	0
Fire	0	0	0	0	0
Museum	0	0	0	24,000	0
Recreation/Pool	25,000	0	10,000	0	0
Parks Maintenance	42,500	10,000	10,000	0	0
Library	0	25,000	30,000	0	0
PW Building Land Acq	700,000	0	0	0	0
Police	240,000	0	0	10,750	0
Facility Repairs	68,750	0	0	0	0
Total Expenditures	\$1,081,375	\$60,000	\$86,500	\$34,750	\$ 150,000

The capital budget requests awarded in 2009 total \$150,000 and consist of:

- \$150,000 for a Broadview Development road access.

This page left intentionally blank.

Part 8. Special Revenue Funds



Public Arts Fund
Total 2009 Appropriations \$45,236
0 FTE

Description

City of Wenatchee Ordinance # 99-35 mandates that one-percent of construction costs for projects in excess of \$25,000 (not including LID's) be set aside for "public arts projects". The projects funded can be any work of art that is purchased or commissioned for the benefit of the public and the funding of artistic programs that have public access.

Funding decisions are recommended by the City of Wenatchee Arts Commission and approved by City Council. A council-appointed board of nine community members make up the Arts Commission Board. Nominations to the board of the arts commission are accepted through the City Clerk at Wenatchee City Hall. The Arts Commission Board receives staff support from the Museum Department at Wenatchee Valley Museum and Cultural Center.

The Arts Commission advises the City of Wenatchee staff and council on matters relating to public art and art programming. The City has funded a variety of community art programs such as Write on the River, Art for Seniors (AWARE), Art on the Avenues, Beauty of Bronze and others through a competitive process.

The Arts Commission has also approved a variety of public art projects including integrated art at the Wenatchee Police Station; and the recent work at the Public Service Center. Sculpture and two-dimensional art has been purchased and placed in public spaces throughout the city. Much of this work is incorporated into the outdoor sculpture exhibit and artwalk in downtown Wenatchee. Other pieces are sited within public facilities such as the Community Center, City Hall and the library. City artwork is clearly identified with labels that show the artist, title and funder.

Expenditure Summary

Fund Number							
Public Arts Fund		101					
	2005	2006	2007	2008	2009	Variance 2009 vs. 2008 Budget	
	Actual	Actual	Actual	Budget	Budget	Amount	Percent
Revenues							
Miscellaneous	6,533	88,030	27,315	55,000	20,000	(35,000)	-63.64%
Interest	1,826	3,788	3,604	3,000	2,700	(300)	-10.00%
Total Revenues	8,359	91,818	30,919	58,000	22,700	(35,300)	-60.86%
Expenditure by Object							
Culture & Recreation	6,278	8,945	12,971	22,600	25,700	3,100	13.72%
Capital Outlay	17,700	56,912	22,406	60,000	19,536	(40,464)	N/A
Total Expenditures	23,978	65,857	35,377	82,600	45,236	(37,364)	-82.60%
Net Increase (Decrease) in							
Fund Balance	(15,619)	25,961	(4,458)	(24,600)	(22,536)	2,064	-8.39%
Beginning Fund Balance	61,363	45,744	71,705	67,247	42,647	(24,600)	-36.58%
Ending Fund Balance	45,744	71,705	67,247	42,647	20,111	(22,536)	-52.84%

<p align="center">Paths and Trails Fund Total 2009 Appropriations \$0 0 FTE</p>
--

Description

The Paths and Trails Fund source of revenue is .42% of the total money received from the Motor Vehicle Fuel Tax (RCW 46.68.090). This money is restricted for the construction and/or improvement of paths and trails within the City. Because the cost of such projects is typically much larger than the funds generated in a single year we typically leave the fund balance untouched until an adequate fund balance is available.

During 2008 the City of Wenatchee participated with a number of local government organizations in an engineering study of the Wenatchee Reclamation Districts "black bridge" that crosses the Columbia River and is part of the Apple Capital Recreation Loop Trail. The City served as the lead agency in this study and the project cost of \$100,046 and contributions from participating agencies were accounted for in this fund. Contributions from other agencies totaled \$90,000 and the difference of \$10,046 was paid from reserves of this fund. Contributions from participating agencies were as follows:

Wenatchee Valley Transportation Council	25,000
Link	15,000
Port of Chelan County	10,000
Port of Douglas County	5,000
Douglas County	10,000
Chelan County	10,000
Chelan County PUD	10,000
City of East Wenatchee	5,000
City of Wenatchee	10,046
Total	<u>100,046</u>

The 2009 Budget includes no appropriations from this fund.

Expenditure Summary

Fund Number	
Paths & Trails	103

	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget	Variance 2009 vs. 2008 Budget	
						Amount	Percent
<u>Revenues</u>							
Miscellaneous	1,700	1,719	2,527	93,200	3,000	(90,200)	-96.78%
Interest	350	558	834	700	1,100	400	57.14%
Total Revenues	2,050	2,277	3,362	93,900	4,100	(89,800)	-95.63%
<u>Expenditure by Object</u>							
Operating	0	0	0	100,046	0	(100,046)	-100.00%
Capital Outlay	0	0	0	0	0	0	#DIV/0!
Total Expenditures	0	0	0	100,046	0	(100,046)	-100.00%
<u>Other Financing Sources (Uses)</u>							
Transfers In	0	0	0	0	0	0	N/A
Transfers Out	0	0	0	0	0	0	N/A
Total Other Sources (Uses)	0	0	0	0	0	0	N/A
Net Increase (Decrease) in							
Fund Balance	2,050	2,277	3,362	(6,146)	4,100	10,246	-166.71%
Beginning Fund Balance	9,849	11,899	14,176	17,538	11,392	(6,146)	-35.04%
Ending Fund Balance	11,899	14,176	17,538	11,392	15,492	4,100	35.99%

Tourism Promotion Area Fund
Total 2009 Appropriations \$179,900
0 FTE

Description

During the 2003 State Legislative Session the Washington State Legislature approved ESSB 6026 (codified in RCW 35.101) which authorized the establishment of a Tourism Promotion Area (TPA) to levy special assessments to fund tourism promotion. Early in the summer of 2006 the City of Wenatchee received a petition from the Wenatchee Hotel-Motel Association requesting that a tourism promotion area be formed that among other things:

- Established the boundaries of the TPA to encompass the entire City of Wenatchee.
- Stated that revenues from a special assessment be directed towards the promotion of tourism that benefits lodging businesses and local tourism.
- Imposes a \$1 per room per night special assessment on the operators of lodging businesses.
- That the Wenatchee Hotel-Motel Association appoints a 7 member committee to advise the City Council on the appropriate use of the special assessment. Further that the Committee be comprised of 4 operators of lodging businesses, 2 City of Wenatchee officials, and 1 member who must be an operator of a tourism related activity within the TPA but who is not a lodging operator or City official.

The City Council subsequently adopted Ordinance #2006-29 which established a tourism promotion area, and Resolution #2007-11 that appointed the TPA Advisory Committee members.

Expenditure Summary

		Fund Number					
TOURISM PROMOTION AREA		104					
	2005	2006	2007	2008	2009	Variance 2009 vs. 2008 Budget	
	Actual	Actual	Actual	Budget	Budget	Amount	Percent
<u>Revenues</u>							
Tourism Promotion Area Tax	0	0	184,081	177,000	174,700	(2,300)	-1.30%
Interest Paid by WA State	0	0	2,031	500	5,200	4,700	940.00%
Total Revenues	0	0	186,112	177,500	179,900	2,400	1.35%
<u>Expenditure by Object</u>							
Culture & Recreation	0	0	186,112	177,500	179,900	2,400	1.35%
Total Expenditures	0	0	186,112	177,500	179,900	2,400	0
<u>Other Financing Sources (Uses)</u>							
Transfers In							
Transfers Out	0	0	0	0	0	0	#DIV/0!
Total Other Sources (Uses)	0	0	0	0	0	0	#DIV/0!
Net Increase (Decrease) in							
Fund Balance	0	0	0	0	0	0	#DIV/0!
Beginning Fund Balance	0	0	0	0	0	0	#DIV/0!
Ending Fund Balance	0	0	0	0	0	0	#DIV/0!

Hotel/Motel Tax-Capital Fund
Total 2009 Appropriations \$218,200
0 FTE

Description

In 1974 the City Commission adopted Ordinance No. 2160, which allowed the City to levy a hotel/motel tax of two percent (2%). This tax has been used to partially offset the cost of operations of the City's Convention Center that we account for in fund number 106.

During 1995 the City Commission adopted Ordinance No. 3137, which allowed the City to levy an additional hotel/motel tax of two percent (2%). This tax has been allocated with 60% going towards the expansion of the Convention Center (we have accounted for this portion in fund number 105), and 40% going towards tourism promotion (we have accounted for this portion in fund number 107).

In 1997 the City Commission adopted Ordinance No. 97-12, which levied a hotel/motel tax of six percent (6%), and this rate was reaffirmed in 1998 with Ordinance #98-44. Distribution of the tax is as follows:

- Four percent (4%) of the six percent (6%) total is a re-enactment of each of the two percent (2%) taxes previously approved via Ordinances 2160 and 3137. The allocation of this four percent (4%) is 30% to Fund 105 for expansion of the Convention Center, 50% to Fund 106 for operations of the Convention Center, and 20% to Fund 107 for tourism promotion.
- The remaining two percent (2%) will be allocated at a rate of 20% to Fund 106 for operations of the Convention Center, and 80% to Fund 107 for tourism promotion.

The distribution viewed from a percentage perspective is as follows:

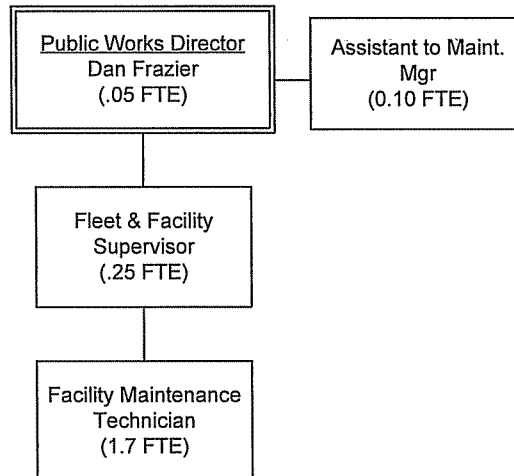
	Tax Levy	Distribution			Total
		105	106	107	
		Capital Expenses	Convention Center Operation	Tourism Promotion	
Prior Rate & Distribution					
Ordinance #2160	2%	0%	100%	0%	100%
Ordinance #3137	2%	60%	0%	40%	100%
	<u>4%</u>	<u>30%</u>	<u>50%</u>	<u>20%</u>	<u>100%</u>
Current Rate & Distribution					
Ordinance #97-12 & #98-44	4%	30%	50%	20%	100%
Ordinance #97-12 & #98-44	2%	0%	20%	80%	100%
	<u>6%</u>	<u>20%</u>	<u>40%</u>	<u>40%</u>	<u>100%</u>

For 2009 we anticipate revenues of this fund will be comprised of \$194,200 of hotel/motel taxes earned in the City of Wenatchee, and an additional \$20,000 from the City of East Wenatchee (who through an interlocal agreement signed in 1996 will contribute 60% of the same tax source through 2010). The sole expenditure in 2009 of \$218,200 reflects a transfer all estimated revenues and reserve balances to the Convention Center operating fund that will partially offset the annual debt service payment on LTGO bonds issued in 1997 and 2007 for renovations and expansion of the facility.

Expenditure Summary

Fund Number							
Hotel/Motel Tax-60% Capital		105					
	2005	2006	2007	2008	2009	Variance 2009 vs. 2008 Budget	
	Actual	Actual	Actual	Budget	Budget	Amount	Percent
Revenues							
Hotel/Motel Taxes	144,000	173,329	197,817	189,000	194,200	5,200	2.75%
Hotel/Motel Taxes-East Wenatchee	20,000	20,255	25,508	25,000	20,000	(5,000)	-20.00%
Interest	2,694	4,195	5,989	4,000	4,000	0	0.00%
Total Revenues	166,694	197,779	229,314	218,000	218,200	200	0.09%
Expenditure by Object							
Capital Outlay	0	0	0	0	0	0	N/A
Total Expenditures	0	0	0	0	0	0	N/A
Other Financing Sources (Uses)							
Transfers In							
Transfers Out	(169,182)	(170,681)	(249,175)	(249,903)	(218,200)	31,703	-12.69%
Total Other Sources (Uses)	(169,182)	(170,681)	(249,175)	(249,903)	(218,200)	31,703	-12.69%
Net Increase (Decrease) in							
Fund Balance	(2,488)	27,098	(19,861)	(31,903)	0	31,903	-100.00%
Beginning Fund Balance	22,355	19,866	46,964	27,103	(4,800)	(31,903)	-117.71%
Ending Fund Balance	19,866	46,964	27,103	(4,800)	(4,800)	0	0.00%

Convention Center Fund
Public Works Department
Total 2009 Appropriations \$794,856
2.1 FTE



Facility Description

The Convention Center facility was constructed in 1980 through an Economic Development Administration grant in the amount of \$2.6 million. At the initial point of construction the facility was comprised of 2 levels of 25,000 square feet each and included a combination of exhibition and "break-out" rooms as well as a full kitchen facility. Since that time a number of additions and renovations have taken place including:

- In 1989 a plaza fountain was added to the facility at a cost of \$276,000.
- In 1993 the Convention Center underwent an extensive remodel that among other things resulted in improvements to the heating, ventilation and air conditioning system, and the replacement of the sound system, carpet and windows. The total cost of this renovation was \$676,000 and was financed through the issuance of 15-year LTGO bonds.
- In 1997 the City issued \$3,550,000 in 25-year LTGO bonds whose proceeds were used to add a 14,000 square foot exhibition hall and renovate 11,000 square feet of existing meeting space. The 1997 LTGO bonds were subsequently refunded in 2007 with the new issue resulting in a savings over the remaining 14-years of the initial bond issue of \$276,466 (for a net present value savings of \$214,276). See Part 9 of this document for a related discussion.
- In 2007 the City issued \$711,111 that will be used to finance a variety of technology related improvements at the Convention Center. These are 15-year bonds and are due to be paid-off in annual installments running through 2022. Annual debt service payments of approximately \$64,100 per year will be funded through money generated by Convention Center operations and a share of the Chelan County hotel/motel tax that is generated by hotels/motels located in the unincorporated areas of the County

Facility Operations

The Convention Center Fund accounts for operations of the City's Convention Center and the facility itself is managed on behalf of the City by the Coast Hotel. This management contract was initially signed in 1980 and lasted for a period of seven years. The contract also included options for three extensions of seven years each that were exercised in 1987, 1994 and 2001. The final contract extension in which we are now in will expire in the fall of 2008 and a new management contract will have to be negotiated with either the Coast Hotel or possibly a new management team. The operations of this fund are closely tied to the Hotel/Motel Tax - Capital and Tourism Funds (fund numbers 105 and 107).

Primary revenue sources for 2008 include:

- Hotel/motel taxes collected and disbursed by the State of Washington estimated at \$386,400 (see the narratives for Hotel/Motel Tax - Capital and/or Tourism for a detailed explanation).
- A 20% portion of the hotel/motel taxes (estimated at \$65,000) earned by Chelan County on hotels located within the County but not within any City. This arrangement is per Chelan County Resolution No. 96-67 which ran through the period 1998 through 2007 and was extended through 2008 by the Commission. Prior to the issuance of the 2007 LTGO bonds the City received verbal assurance from the County Commission that the City would continue to receive at least enough money from this source to make the annual bond repayment (approximately \$65,000) for the next 10-years.
- Commissions earned from the West Coast as a part of their management contract in which they remit predetermined percentages of operating revenues - estimated by the City at \$184,000 for 2008. Commission types and percentages are as follow:
 - Food - 10%
 - Beverage - 10%
 - Room Rent - 25%
 - Vending - 25%
 - Miscellaneous – 25%
- An operating transfer in of \$214,200 from Fund 105 - Hotel/Motel Tax - Capital which will be used towards servicing debt related to the 2007 LTGO bond issues.

Expenditures of the fund revolve around the operations and maintenance of the facility. The single largest expenditure is reported as an "operating transfer out", and represents debt service on the various LTGO bond issues.

2008 Accomplishments

- Lower Restroom counter tops
- Replace and Repair (6) doors & jambs
- Lined Kitchen walls (sanitary board)
- Replace ceiling tiles in kitchen
- Upgrade lights in Kitchen to T-8
- A/V Electrical Upgrade
- A/V System Installation
- Re-lamp Ball Room
- Repair sidewalk in Plaza
- Build storage room
- Electrical for touch screen at Main office
- Replace ceiling tiles
- Continued re-key of Convention Center to Best Lock system.
- Inspected and cleaned new grease interceptor as part of the City's pretreatment program.

2009 Goals

- Re-pour Loading dock slab.
- Continue replacement of restroom partition.
- Paint ballroom.
- Repair and repaint upper floor.
- Continue ceiling tile replacement with work in the Red Delicious, Blossom/Harvest Rooms and all pre-function areas.
- Continue interior door and hardware upgrades.
- Replace restroom sinks, countertops and dispensers with more durable materials.
- Install protective wainscoting in breakout room hallways.
- Complete phase 1 carpet installation
- Construct acoustical improvements in Ballroom and Exhibit Hall.
- Repair potential trip hazards on the facility's exterior walkways.

Expenditure Summary

Fund Number							
Convention Center		106					
	2005	2006	2007	2008	2009	Variance 2009 vs. 2008 Budget	
	Actual	Actual	Actual	Budget	Budget	Amount	Percent
Revenues							
Hotel/Motel Taxes	351,993	407,281	464,877	451,400	453,400	2,000	0.44%
West Coast Commissions	168,162	177,852	199,964	184,000	197,000	13,000	7.07%
Interest	12,073	12,402	11,171	14,000	7,200	(6,800)	-48.57%
Miscellaneous	569	3,555	1	1	1	0	0.00%
Total Revenues	532,797	601,090	676,013	649,401	657,601	8,200	1.26%
Expenditure by Object							
Culture & Recreation	390,408	406,979	415,792	398,140	417,438	19,298	4.85%
Capital Outlay	56,518	133,421	28,797	75,000	75,000	0	0.00%
Total Expenditures	446,926	540,400	444,589	473,140	492,438	19,298	4.08%
Other Financing Sources (Uses)							
Fixed Asset Disposition	470	0	0	0	0	0	N/A
Transfers In	169,182	170,681	249,175	249,903	218,200	(31,703)	-12.69%
Transfers Out	(326,261)	(323,305)	(324,229)	(400,080)	(302,418)	97,662	N/A
Total Other Sources (Uses)	(156,609)	(152,624)	(75,054)	(150,177)	(84,218)	65,959	-43.92%
Net Increase (Decrease) in Fund Balance	(70,738)	(91,934)	156,370	26,084	80,945	54,861	210.32%
Beginning Fund Balance	474,454	403,715	311,781	468,151	494,235	26,084	5.57%
Ending Fund Balance	403,716	311,781	468,151	494,235	575,180	80,945	16.38%

Personnel Summary

Position	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget
Public Works Director of Operations	0	0	0	0.05	0.05
Maintenance Manager	0.1	0.1	0.1	0	0
Maintenance Supervisor	0	0	0.25	0.25	0.25
Assistant to ER&R	0	0.075	0.075	0.1	0.1
Facility Maintenance Tech	1.7	1.7	1.7	1.7	1.7
Total Personnel	1.8	1.875	2.125	2.1	2.1

Hotel/Motel Tax-Tourism Fund
Total 2009 Appropriations \$388,400
0 FTE

Description

In 1974 the City Commission adopted Ordinance No. 2160, which allowed the City to levy a hotel/motel tax of two percent (2%). This tax has been used to partially offset the cost of operations of the City's Convention Center that we account for in fund number 106.

During 1995 the City Commission adopted Ordinance No. 3137, which allowed the City to levy an additional hotel/motel tax of two percent (2%). This tax has been allocated with 60% going towards the expansion of the Convention Center (we have accounted for this portion in fund number 105), and 40% going towards tourism promotion (we have accounted for this portion in fund number 107).

In 1997 the City Commission adopted Ordinance No. 97-12, which levied a hotel/motel tax of six percent (6%), and this rate was reaffirmed in 1998 with Ordinance #98-44. Distribution of the tax is as follows:

- Four percent (4%) of the six percent (6%) total is a re-enactment of each of the two percent (2%) taxes previously approved via Ordinances 2160 and 3137. The allocation of this four percent (4%) is 30% to Fund 105 for expansion of the Convention Center, 50% to Fund 106 for operations of the Convention Center, and 20% to Fund 107 for tourism promotion.
- The remaining two percent (2%) will be allocated at a rate of 20% to Fund 106 for operations of the Convention Center, and 80% to Fund 107 for tourism promotion.

The distribution viewed from a numbers perspective is as follows:

		Distribution			Total
		105	106	107	
	Tax Levy	Capital Expenses	Convention Center Operation	Tourism Promotion	
Prior Rate & Distribution					
Ordinance #2160	2%	0%	100%	0%	100%
Ordinance #3137	2%	60%	0%	40%	100%
	<u>4%</u>	<u>30%</u>	<u>50%</u>	<u>20%</u>	<u>100%</u>
Current Rate & Distribution					
Ordinance #97-12 & #98-44	4%	30%	50%	20%	100%
Ordinance #97-12 & #98-44	2%	0%	20%	80%	100%
	<u>6%</u>	<u>20%</u>	<u>40%</u>	<u>40%</u>	<u>100%</u>

During 1997 the Wenatchee City Commission and East Wenatchee City Council appointed an eight member Tourism Advisory Committee to research and advise as to how the tax dollars collected may best be used for the purpose of advertising and marketing tourism for the greater Wenatchee area.

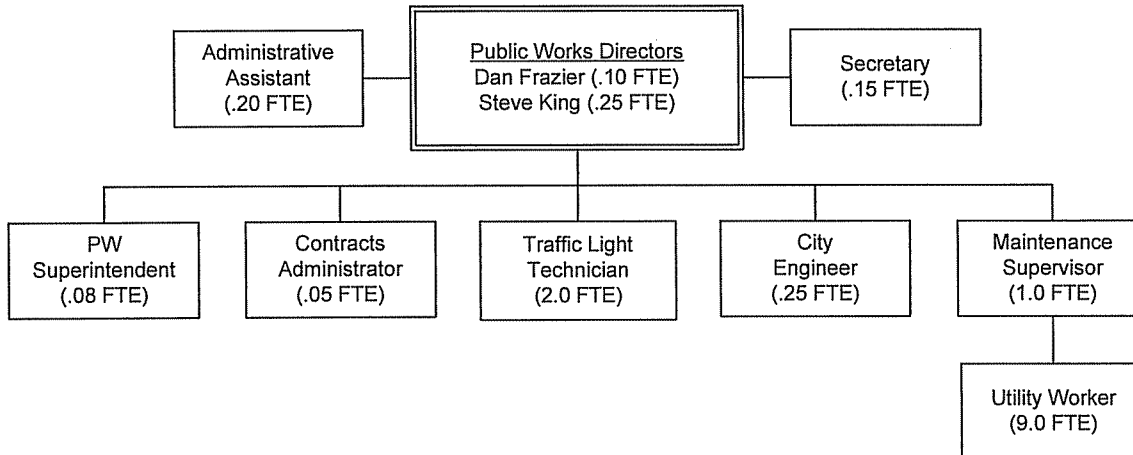
As a result of the efforts of this committee the Wenatchee Valley Convention and Visitors Bureau was created during the latter half of 1998 and an executive director was appointed to develop and maintain a marketing plan. The 2009 appropriation reflects the anticipated cost of running this program.

Expenditure Summary

Fund Number	
Hotel/Motel Tax-40% Tourism	107

	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget	Variance 2009 vs. 2008 Budget	
						Amount	Percent
Revenues							
Hotel/Motel Taxes	301,835	346,674	395,634	386,400	388,400	2,000	0.52%
Miscellaneous	0	0	0	0	0	0	N/A
Interest	2,778	2,164	2,711	2,500	1,000	(1,500)	-60.00%
Total Revenues	304,613	348,838	398,345	388,900	389,400	500	0.13%
Expenditure by Object							
Culture & Recreation	301,835	387,173	395,634	386,400	388,400	2,000	0.52%
Capital Outlay	0	0	0	0	0	0	N/A
Total Expenditures	301,835	387,173	395,634	386,400	388,400	2,000	0.52%
Other Financing Sources (Uses)							
Fixed Asset Disposition	0	0	0	0	0	0	N/A
Transfers In	0	0	0	0	0	0	N/A
Transfers Out	0	0	0	0	0	0	N/A
Total Other Sources (Uses)	0	0	0	0	0	0	N/A
Net Increase (Decrease) in Fund Balance							
Fund Balance	2,778	(38,335)	2,711	2,500	1,000	(1,500)	-60.00%
Beginning Fund Balance	58,492	61,270	22,935	25,646	28,146	2,500	9.75%
Ending Fund Balance	61,270	22,935	25,646	28,146	29,146	1,000	3.55%

Street Fund
Public Works Department
Total 2009 Appropriations \$2,109,527
13.08 FTE



FUND DESCRIPTION

The Street Fund is a special revenue fund that accounts for revenues and expenditures associated with the maintenance of City streets. The primary source of revenue for this fund is property tax, sales and motor vehicle fuel tax, and interfund billings to the Storm Drain Fund (discussed in Part 11 of this document) for street sweeping, catch basin and line cleaning services.

STREET DIVISION (001)

Description

The Street Division of the Public Works Department has the responsibility for the maintenance of the City's streets and alleys. The Street Division maintains over 250 lane miles of streets utilizing nearly 40 pieces of street equipment. The Street Division is responsible for snow and ice control on all City streets along with those sections of the state highways that run through the City. The street crews also sweep and clean all city streets and maintain pavement markings and signage. In addition, the Street Division maintains those portions of the sidewalks that are the responsibility of the City and cleans and maintains the structures comprising the City's storm drainage system.

2008 Accomplishments

- Completed hot mix maintenance of asphalt for the Street Division and the Water Division.
- Completed City-wide pavement markings.
- Enhanced our existing snow and ice control program by expanding the use of washed sand.
- Poured new sidewalks back for Water Division new chamber locations and service upgrades.
- Continued to consolidate street name signs to stop sign locations minimizing pole maintenance.
- Continued to inventory and build database for all pavement markings.
- Refined system for tracking inventory of de-icer and washed sand.
- Inspect all stop signs for reflectivity and condition and enter data on database.
- Repaint cross walks [red w/ white border] on Orondo, Okanogan and Methow at Memorial Park.
- Worked with WWTP to replaced worn storm and sewer manhole lids and rings.
- Modified sweeper program to available funding.
- Continued program to make ADA sidewalk ramps accommodate the visually impaired.

- Evaluated and repair trip hazards on all sidewalks that abut City owned properties and at downtown tree locations.
- Set up traffic control for special events and parades.
- Assist with clearing and site preparation of the new Public Works site.
- Rebuilt Gossman and cul-de-sac's and repaved the street.
- Cleaned Broadview retention pond.
- Extend storm on Canyon Place and repair alligator spots.
- Install more storm and re-level intersection on Melissa at Crawford
- Install directional / informational signage for TTC.
- Grinding of asphalt, repaving on Ferry / Russell and restriping to include LTL on Russell from Monroe to Millerdale. New M-H frames and grates and water valve cans.
- Grinding of asphalt, repaving Washington from King to Orondo. Including restriping and new M-H frames and grates and water valve cans.

2009 Goals

- Continue to refine and document the programs and levels of service related to the street patching program, street maintenance program and vegetation control program as funding allows.
- Evaluate service level of the storm maintenance program.
- Re-evaluate residential sweeper routes, add annexed streets and notify the citizens of sweeping schedules.
- Continue to work with Code Enforcement's program on nuisance abatement.
- Continue to enhance snow removal program by refining routes and including annexed streets.
- Continue to explore options for road waste dumpsites, [winter sand, trench excavations etc.]
- Continue to research recycling program for asphalt and concrete waste.
- Refine de-icer program with information gathered on new database to include ice slicer therefore to cut back on the use of sand.
- Continue to maintain an inventory of all snow and ice control products used.
- Replace one crosswalk on Yakima at Wenatchee Avenue.
- Continue to maintain and improve storm drainage at Maiden/Horse Lake/North Wenatchee Avenue [CHIC DITCH] and retention pond in Broadview.
- Continue to work with the WWTP to replace worn storm and sewer manhole lids and rings.
- Continue to maintain pedestrian flags for crossing on Mission at Bridge, Benton and Peachey.
- Repair alligator spots on Western at Maple and on Wilson [Montana to Dakota]
- Install storm on Poplar row, tie into existing on Westwood and repave.

TRAFFIC DIVISION (002)

Description

The traffic fund is a special revenue fund accounting for revenues and expenditures for the maintenance of City owned traffic signals and illumination systems. The primary sources of revenue are property taxes and state levied gasoline taxes.

Major Service

The Traffic Division is responsible for the repair and maintenance of 48 traffic signals and approximately 1900 street lights within the City. The activities of the Traffic Division also include working directly with the other Public Works divisions and the other City Departments to ensure the accomplishment of department goals.

Summary

The 2009 Traffic Division maintenance budget request is identical to the 2008 budget with the exception of adjustments down in overtime and repair and maintenance expenditures. These reductions are a result of the LED replacement project and a reduction in purchasing specialized

tools. This budget also includes a \$30,000 capital request for LED signal display bulb conversions as was requested in 2008. This year's LED replacement budget is expected to be the last in an effort to upgrade the entire city. This project brings the City traffic signal system up to industry standards which results in increased reliability (safety) and decreased maintenance. Over forty percent (40%) of the remaining maintenance budget covers electrical service for the street lights. Total end of the year expenditures may vary depending upon whether or not there is an increase in the PUD electrical power rates and the number of vehicle accidents inflicting damage to either street lights or signal system equipment.

2008 Accomplishments

- The third phase of the LED bulb replacement program was implemented by City crews. The majority of the replacements were pedestrian signals.
- Continued collecting and analyzing data for implementing various changes to the traffic signal systems.
- Installed a new signal at the Regional Events Center on Walla Walla Street.
- Retrofitted the Hawley and Wenatchee Avenue signal based on the addition of Walnut Street to the intersection.
- School flashing beacons were installed on Russell Street in front of Pioneer School.
- Installed audible pedestrian crossing at Fifth and Miller in partnership with the Samara's Foundation for the blind.

2009 Goals

- Continue the traffic signal preventative maintenance and record keeping system.
- Analyze and possibly implement several different time of day plans for the coordinated signal systems based on fluctuating traffic patterns. Perform traffic analysis and traffic counting to assist with modeling.
- Perform traffic counts and optimize signal on North Wenatchee Avenue.
- Complete phase the LED signal bulb replacement project.
- Install audible crossings at various signal locations as part of the Samara's Foundation for the blind grant.
- Investigate implementation of intelligent traffic management systems on North Wenatchee Avenue.
- Install new signals associated with the Riverside Drive project and the North Wenatchee Turn Lane Project.

Expenditure Summary

Fund Number							
Streets		108					
	2005	2006	2007	2008	2009	Variance 2009 vs. 2008 Budget	
	Actual	Actual	Actual	Budget	Budget	Amount	Percent
Revenues							
Taxes	1,092,055	1,143,618	1,164,137	1,269,200	1,419,527	150,327	11.84%
Intergovernmental Revenue	403,407	422,501	409,282	429,200	407,600	(21,600)	-5.03%
Charges for Services	2,792	125,000	96,742	178,200	163,000	(15,200)	N/A
Interest	20,378	29,026	28,755	32,000	14,800	(17,200)	-53.75%
Miscellaneous	44,939	10,504	12,969	10,000	10,000	0	N/A
Total Revenues	1,563,571	1,730,649	1,711,884	1,918,600	2,014,927	96,327	5.02%
Expenditure by Object							
Transportation	1,467,763	1,654,263	1,726,291	1,918,524	2,014,927	96,403	5.02%
Capital Outlay	19,620	40,980	28,564	40,000	90,000	50,000	125.00%
Total Expenditures	1,487,383	1,695,243	1,754,855	1,958,524	2,104,927	146,403	7.48%
Other Financing Sources (Uses)							
Fixed Asset Disposition	0	0	0	0	0	0	N/A
Transfers In	0	0	0	0	0	0	#DIV/0!
Transfers Out	0	(121,517)	0	(55,600)	(4,600)	51,000	N/A
Total Other Sources (Uses)	0	(121,517)	0	(55,600)	(4,600)	51,000	-91.73%
Net Increase (Decrease) in							
Fund Balance	76,188	(86,111)	(42,971)	(95,524)	(94,600)	924	-0.97%
Beginning Fund Balance	685,879	762,067	675,955	632,984	537,460	(95,524)	-15.09%
Ending Fund Balance	762,067	675,955	632,984	537,460	442,860	(94,600)	-17.60%

Personnel Summary

	2005	2006	2007	2008	2009
Position	Actual	Actual	Actual	Budget	Budget
Public Works Director	0	0.15	0.15	0.35	0.35
Administrative Assistant	0.55	0.5	0.2	0.2	0.2
City Engineer	0	0	0	0.25	0.25
Contracts Administrator	0	0	0.05	0.05	0.05
Secretary	0	0	0.15	0.15	0.15
Facility Manager	0.25	0.25	0.25	0	0
Street Maintenance Supervisor	1	1	1	1	1
Electric Tech. Supervisor	1	0	0	0	0
Utility Workers/Streets	8	8	9	9	9
Traffic Lighting Technician	1	2	2	2	2
Public Works Superintendent	0	0	0	0	0.08
Total Personnel	11.8	11.9	12.8	13	13.08

Arterial Street Fund
Public Works Department
Total 2009 Appropriations \$9,887,427
0 FTE

Description

The Arterial Street Fund is a special revenue fund that accounts for revenues and expenditures associated with providing safe and well-constructed traffic corridors for the traveling public. Recurring fund revenues (those we expect to see each year) are comprised of a portion of the state motor vehicle gas tax that is distributed to cities on a per capita basis. In 2005, the state motor vehicle gas tax revenue increased resulting from the passage of additional state gas tax. Non-recurring revenues (those that are one-time in nature) include grants from federal, state and local agencies that are applied to specific construction projects.

In 2008, the majority of effort associated with this fund was dedicated to completion of the Walnut Hawley project and design of Riverside Drive. The City Council adopted an LID to help fund the Riverside Drive project. Additionally, the City completed the brick street rehabilitation project.

The goals for 2009 include construct Riverside Drive, the North Wenatchee Turn Lane project, and the audible pedestrian signal project. Substantial design work is planned for the South Wenatchee Avenue project, Miller and Washington signal project, and McKittrick and Wenatchee Avenue signal project.

An additional transaction that is unique to the 2006 through 2008 Budgets is the purchase of land that was necessary for the Hawley/Walnut project. Details of the unique nature of this transaction are as follows:

- In 2006 the Water/Sewer Fund loaned \$2,495,792 to the Arterial Street Fund to acquire land.
- In 2007 the Arterial Street Fund repaid a portion of the loan in the following installments:
 - \$434,877 as a result of a Transportation Improvement Board (TIB) grant reimbursement for right of way.
 - \$881,424 as a result of the sale of a portion of unneeded land.
 - Each of these transactions resulted in a total of loan repayments of \$1,316,305, and leaving a remaining loan balance of \$1,179,487.
- In 2008 the single remaining parcel of unneeded land was sold, netting enough to repay the remaining loan balance of \$1,179,491.

Arterial Street project expenses and related revenues for 2009 are as follows. Note that many projects span more than one year and that figures presented below reflect only the activity we anticipate will occur in 2009.

ESTIMATED REVENUES			
Recurring			
Motor Vehicle Fuel Tax			310,600
Non-Recurring			
<u>State and Federal Grants</u>			
TIB	3,830,965		
Fed Pass Through	<u>1,444,109</u>	5,275,074	
<u>Local Grants</u>			
Chelan County			0
<u>Interfund Sources</u>			
Street Fund	0		
Sewer Fund	0		
Storm Drain Fund	<u>0</u>	0	
<u>Other</u>			
LID Bonds/Contributions	4,136,901		
Interest income	<u>5,000</u>	<u>4,141,901</u>	<u>9,416,975</u>
Total estimated revenues			<u>9,727,575</u>
APPROPRIATIONS			
Riverside Drive		8,239,321	
Audible Pedestrian Signals		86,349	
Washington-Miller Signal		349,926	
McKittrick Signal		529,429	
Brick Streets		4,227	
South Wenatchee Avenue		250,175	
North Wenatchee Turn Lane		378,000	
Miscellaneous/Minor		<u>50,000</u>	
Total appropriations			<u>9,887,427</u>
Revenues over (under) expenditures			(159,852)
Estimated fund balance @ 12/31/2008			<u>879,673</u>
Estimated fund balance @ 12/31/2009			<u><u>719,821</u></u>

Expenditure Summary

Fund Number							
Arterial Streets		109					
	2005	2006	2007	2008	2009	Variance 2009 vs. 2008 Budget	
	Actual	Actual	Actual	Budget	Budget	Amount	Percent
Revenues							
Intergovernmental Revenue	1,205,337	571,962	4,772,935	950,833	5,585,674	4,634,841	487.45%
Charges for Services	0	0	0	0	0	0	#DIV/0!
Interest	(531)	7,309	(5,392)	5,000	5,000	0	0.00%
Miscellaneous	0	228,306	3,880	0	0	0	#DIV/0!
LID Bonds	0	0	0	0	4,136,901	4,136,901	#DIV/0!
Proceeds from Sale of Land	0	0	1,012,770	1,831,300	0	(1,831,300)	-100.00%
Interfund Loans Received	0	2,495,792	0	0	0	0	#DIV/0!
Total Revenues	1,204,806	3,303,369	5,784,193	2,787,133	9,727,575	6,940,442	249.02%
Expenditure by Object							
Transportation	3,784	6,148	37,899	85,517	0	(85,517)	-100.00%
Capital Outlay	1,313,668	609,341	5,478,292	974,220	9,887,427	8,913,207	914.91%
Land Acquisition	0	2,501,062	10,540	0	0	0	#DIV/0!
Interfund Loans Repaid	0	0	1,316,301	1,179,461	0	(1,179,461)	-100.00%
Total Expenditures	1,317,452	3,116,551	6,843,032	2,239,198	9,887,427	7,648,229	341.56%
Other Financing Sources (Uses)							
Transfers In	0	121,517	1,258,957	0	0	0	#DIV/0!
Transfers Out	0	0	0	(200,000)	0	200,000	-100.00%
Total Other Sources (Uses)	0	121,517	1,258,957	(200,000)	0	200,000	-100.00%
Net Increase (Decrease) in Fund Balance							
Net Increase (Decrease) in Fund Balance	(112,646)	308,335	200,118	347,935	(159,852)	(507,787)	-145.94%
Beginning Fund Balance	135,931	23,285	331,620	531,738	879,673	347,935	65.43%
Ending Fund Balance	23,285	331,620	531,738	879,673	719,821	(159,852)	-18.17%

LEOFF 1 - Long-Term Care Fund
Total 2009 Appropriations \$149,000
0 FTE

Description

RCWs 41.16 and 41.18 require cities in the State of Washington to pay for long-term care costs incurred by pre-LEOFF and LEOFF 1 employees and retirees *for as long as they live* (LEOFF is an acronym for law enforcement officers and firefighters. Pre-LEOFF refers to those employees hired prior to March 1, 1970, while LEOFF 1 refers to those employees hired between March 1, 1970 and September 30, 1977). As of December 31, 2008, the City had 41 individuals (combined active and retired) that are eligible for this benefit:

	Active	Retired	Total	Medicare Eligible
Fire	2	19	21	12
Police	1	19	20	9
	3	38	41	21

At the time the Washington State Legislature added this feature to the benefit package of eligible employees and retirees, they failed to follow through with a source of funding with which cities, counties, or fire districts could cover the added costs of operations. As a result of this unfunded mandate the City has investigated how to responsibly provide this benefit to eligible individuals in the most cost effective manner possible. The alternatives we have considered range as follows:

- A "pay as you go" approach where we pay for the LTC costs from annual revenues of the General Fund. This was the method of funding used by the City of Wenatchee and most other employers in the State for a number of years. The problem with this approach is that it ignores the future where the population of eligible beneficiaries attains an age where they are more likely to utilize this benefit. If multiple beneficiaries utilize the benefit in a single year, ongoing General Fund operations are placed in jeopardy.
- Purchase LTC insurance that will provide the benefit to eligible individuals with the City paying nothing more than annual premiums. This represents the preferred alternative but unfortunately does not completely solve the problem of covering all eligible individuals because the insurance provider refuses to "cover" everyone. From our experience the insurance carriers will provide coverage to approximately 75% of individuals eligible for the benefit but will not cover the 25% who are most likely to use the benefit (those who are oldest or ailing). In the short run this is the most expensive means of addressing the benefit because it requires an expenditure for both the purchase of the insurance coverage (for those individuals least likely to utilize the benefit) and directly paying for the cost of care for those individuals that are uninsurable.
- The alternative we ultimately chose to address the State mandate to provide this LTC benefit was to establish a "self-funding program", which is a compromise between the two that were previously discussed. In September 2000, the City created this special revenue fund as a means of setting money aside to finance current and future claims, and to provide an accounting for the LTC costs incurred. The typical source of funding for this program is an annual operating transfer from the General Fund. During 2005 however, the City closed-out the medical portion of its Self-Insurance Fund and transferred excess reserves of \$205,951 to this Fund. Consequently, the City Council chose to forgo the 2006 General Fund operating transfer but recognized the need to continue with this transfer in subsequent years beginning again in 2007.
- In 2008 the City contracted with Milliman Inc. to conduct an actuarial study of the LEOFF 1 Long-Term Care benefit and they estimated the net present value of this obligation at

\$2,420,000. Further, they recommended the City set aside \$151,500 each year until 2027 in order to fully fund the obligation.

Annual contributions towards this fund are as follows:

Year	General Fund	Self Insurance Fund Reserves	Total
2000	250,000	0	250,000
2001	96,000	0	96,000
2002	96,000	0	96,000
2003	100,000	0	100,000
2004	100,000	0	100,000
2005	105,000	205,951	310,951
2006	0	0	0
2007	120,000	0	120,000
2008	135,000	0	135,000
2009	151,500	0	151,500
	<u>1,153,500</u>	<u>205,951</u>	<u>1,359,451</u>

On June 19, 2000, the City of Wenatchee Disability Board adopted a Long-Term Care policy in order to provide coverage for members eligible for this benefit. This policy requires that after the initial Board approval of the request for long-term nursing assistance, the maximum monthly benefit will be based on the average cost of three (3) nursing care facilities within the Greater Wenatchee Area. This cost is based on 24-hour care in a semi-private room. The Disability Board will determine the three nursing facilities to be used in this computation and will notify all eligible LEOFF members each year of the maximum monthly benefit. The maximum benefit in 2008 is \$5,910 per month (or \$70,920 per year) for in-facility care, and \$4,000 per month (\$48,000 per year) for in-home care.

Expenditure Summary

Fund Number							
LEOFF 1 - LONG-TERM CARE		110					
	2005	2006	2007	2008	2009	Variance 2009 vs. 2008 Budget	
	Actual	Actual	Actual	Budget	Budget	Amount	Percent
Revenues							
Miscellaneous	13,797	27,522	24,432	28,000	12,700	(15,300)	-54.64%
Total Revenues	13,797	27,522	24,432	28,000	12,700	(15,300)	-54.64%
Expenditure by Object							
LTC Benefits	95,021	157,830	119,022	135,000	149,000	14,000	10.37%
Total Expenditures	95,021	157,830	119,022	135,000	149,000	14,000	10.37%
Other Financing Sources (Uses)							
Transfers In	310,951	0	120,000	135,000	151,500	16,500	12.22%
Transfers Out	0	0	0	0	0	0	N/A
Total Other Sources (Uses)	310,951	0	120,000	135,000	151,500	16,500	12.22%
Net Increase (Decrease) in Fund Balance	229,727	(130,308)	25,410	28,000	15,200	(12,800)	-45.71%
Beginning Fund Balance	360,882	590,609	460,301	485,711	513,711	28,000	5.76%
Ending Fund Balance	590,609	460,301	485,711	513,711	528,911	15,200	2.96%

<p style="text-align: center;">Street Overlay Fund Public Works Department Total 2009 Appropriations \$350,000 0 FTE</p>
--

Description

The Street Overlay Fund is a special revenue fund designed for the City's ongoing street overlay program. The street overlay program was developed by the City Public Works Department in 1996 and provided for the overlay of all City streets over a 15-year repeating cycle. At that time the estimated cost of the overlay program was over \$8,000,000 over the life of the cycle with about \$4,000,000 considered in immediate need of overlay.

During 1998 the City issued \$4,085,000 in LTGO/councilmanic bonds whose proceeds are to be used to both reduce a portion of the backlog of streets considered in immediate need of overlay, and finance other street improvements as deemed necessary by the City. Debt service on these bonds is paid with a combination of property tax and 2nd ¼% real estate excise tax revenues (see the Debt Service Funds section of this budget document for further explanation). The 2nd ¼% real estate tax was approved by the City Commission on April 20, 1999 via City ordinance #99-10 and the proceeds of the tax are to be used solely for the City's street overlay program.

In 2005, the City Public Works Department performed an evaluation of the existing program with the goals of evaluating pavement performance, determining future pavement overlay cycles, evaluating alternative maintenance practices, and arriving at an updated cost for the most efficient pavement preservation program. The results of this study recommended life cycles based on the use and type of street. The program also recommended crack sealing and intersection repairs as maintenance tools that extend the life cycle of overlays. Future overlays result in much higher costs due to the need from grinding existing asphalt; therefore, extending overlay life cycles have a significant impact on future costs.

The 2005 overlay evaluation mapped out costs versus time in order to project the annualized cost to the City. (Recurring revenue needed to build reserves in order to fund future overlay needs). The study recommended funding \$1,500,000 per year with a portion of the fund going into reserves. This year's budget of \$350,000 is from the 2nd ¼% of the real estate excise tax. It is anticipated that additional bond issues will be necessary approaching the year 2014 based on real estate excise tax revenue projects.

2008 Accomplishments include: Performing a grind and pave project on Ferry and Russell Streets as well as rebuilding Gossman Lane. This year's project also provided overlay of Springwater Street recently annexed into the City.

2009 goals are focused on additional crack sealing project and potentially small overlays depending on Real Estate Excise Tax revenues.

Expenditure Summary

Fund Number							
Street Overlay		111					
	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget	Variance 2009 vs. 2008 Budget	
						Amount	Percent
Revenues							
Taxes	472,730	573,247	522,367	525,000	360,000	(165,000)	-31.43%
Intergovernmental Revenue	0	0	0	0	0	0	N/A
Bond Proceeds	0	0	0	0	0	0	N/A
Miscellaneous	23,895	35,550	38,465	33,000	27,300	(5,700)	-17.27%
Total Revenues	496,625	608,797	560,832	558,000	387,300	(170,700)	-30.59%
Expenditure by Object							
Transportation	0	0	0	0	0	0	N/A
Capital Outlay	436,966	655,339	59,455	826,000	350,000	(476,000)	-57.63%
Debt Issue Costs	0	0	0	0	0	0	N/A
Total Expenditures	436,966	655,339	59,455	826,000	350,000	(476,000)	-57.63%
Other Financing Sources (Uses)							
Claim for Street Utility Refund	0	0	0	0	0	0	N/A
Transfers In	0	0	0	0	0	0	N/A
Transfers Out	0	0	(150,000)	0	0	0	N/A
Total Other Sources (Uses)	0	0	(150,000)	0	0	0	N/A
Net Increase (Decrease) in Fund Balance							
Net Increase (Decrease) in Fund Balance	59,659	(46,542)	351,377	(268,000)	37,300	305,300	-113.92%
Beginning Fund Balance	580,545	640,204	593,662	945,039	677,039	(268,000)	-28.36%
Ending Fund Balance	640,204	593,662	945,039	677,039	714,339	37,300	5.51%

**Low Income Housing Fund
Community Development Department
Total 2009 Appropriations \$73,500
0 FTE**

Description

The Low Income Housing Fund 113 receives revenue from SHB 2060, which established a \$10 surcharge on all documents recorded at a county auditor's office. Through mid-2007 the fund also received revenue from a \$750,000 State Community Development Block Grant (CDBG) awarded in 2003; the Grant ended in June, 2007.

SHB 2060 Recording Fee

The \$10 recording surcharge fee, created by the Washington State Legislature in 2002 (SHB 2060), is dedicated to funding housing programs for the extremely low and very low-income persons. The fee is assessed by the Chelan County Auditor on all document recordings. Of that amount, \$5.70 is retained by the County for local housing needs, \$3.80 is remitted to the State, and \$.50 is retained by the County to cover administrative expenses. Of the \$5.70 retained by the County, 47% (or approximately \$2.68) is remitted to the City of Wenatchee based upon a population formula for each urban growth area in the County. In 2009, this income source is anticipated to generate approximately \$50,000.

Expenditures of the funds are limited to:

- Acquisition, construction, or rehabilitation of housing projects or units within housing projects that are affordable to very low-income persons with incomes at or below fifty percent of the area median income;
- Supporting building operation and maintenance costs of housing projects or units within housing projects built with housing trust funds, that are affordable to very low-income persons, and that require a supplement to rent income to cover ongoing operating expenses;
- Rental assistance vouchers for housing projects or units within housing projects that are affordable to very low-income persons, to be administered by a local public housing authority or other local organization that has an existing rental assistance voucher program, consistent with HUD's section 8 rental assistance voucher program standards; and
- Operating costs for emergency shelters and licensed overnight youth shelters.

The City of Wenatchee and 9th St Alternatives Group received \$45,000 in 2007 to provide relocation assistance to tenants displaced from the Ninth Street trailer park closure. The project was completed in 2008, and through the Community Action Council, provided rental assistance to 18 households with the low-income housing funds.

The following projects were awarded funding for 2008 and will be on-going in 2009:

- Habitat for Humanity - \$100,000 to purchase land &/or materials for a new home.
- Chelan-Douglas Community Action Council - \$15,000 for pre-development costs associated with developing new low-income housing.
- Hospitality House - \$37,000 to pay for Haven of Hope mortgage and utilities.

Two 2009 grants have been awarded:

- YWCA - \$55,000 to purchase and rehabilitate a new transitional housing facility.
- Housing Authority - \$3,000 for rental assistance in accordance with the existing Section 8 Rental Assistance Voucher Program

Washington State Community Development Block Grant (CDBG)

The City obtained a Community Development Block Grant (CDBG) from the State of Washington totaling \$750,000 that has been used for three purposes, including:

1. rehabilitation of homes in south Wenatchee for owner-occupied housing,
2. construction of a sidewalk on Peachey Street,
3. alley paving and street lighting in south Wenatchee to help clean up the neighborhood and improve safety.

The City completed the rehabilitation of nineteen homes total through the State CDBG program.

In 2006, the City completed construction of Phase I of the Peachey Street sidewalk improvement project as well as some alley paving in south Wenatchee and street lighting in the area of the new Wenatchee Community Center.

The \$750,000 CDBG grant through the State ended, closing out in June of 2007.

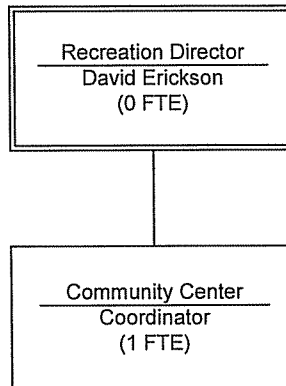
Expenditure Summary

Fund Number							
Housing Rehabilitation		113					
	2005	2006	2007	2008	2009	Variance 2009	
	Actual	Actual	Actual	Budget	Budget	vs. 2008 Budget	
						Amount	Percent
Revenues							
Chelan County	56,658	57,301	54,692	49,700	50,000	300	0.60%
CDBG	137,490	348,979	156,127	0	0	0	#DIV/0!
Other Grants	0	40,000	8,984	0	0	0	#DIV/0!
Miscellaneous	11,281	15,314	27,790	4,600	4,700	100	2.17%
Total Revenues	205,429	461,594	247,592	54,300	54,700	400	0.74%
Expenditure by Object							
Housing Acquisition	311	0	50,000	100,000	55,000	(45,000)	-45.00%
CDBG Housing Rehab	149,369	358,329	224,368	0	0	0	#DIV/0!
Grant Programs	0	40,090	38	56,080	18,500	(37,580)	-67.01%
Total Expenditures	149,680	398,419	274,406	156,080	73,500	(82,580)	-52.91%
Other Financing Sources (Uses)							
Transfers In	0	0	0	0	0	0	#DIV/0!
Transfers Out	0	0	0	0	0	0	#DIV/0!
Total Other Sources (Uses)	0	0	0	0	0	0	#DIV/0!
Net Increase (Decrease) in							
Fund Balance	55,749	63,175	(26,814)	(101,780)	(18,800)	82,980	-81.53%
Beginning Fund Balance	73,990	129,739	192,914	166,100	64,320	(101,780)	-61.28%
Ending Fund Balance	129,739	192,914	166,100	64,320	45,520	(18,800)	-29.23%

Personnel Summary

	2005	2006	2007	2008	2009
Position	Actual	Actual	Actual	Budget	Budget
Community Center Coordinator	0	0	0.27	0	0
Total Personnel	0	0	0.27	0	0

Community Center Operations Fund
Recreation Department
Total 2009 Appropriations \$160,726
1 FTE

**Description**

The Community Center Operations Fund is a special revenue fund that accounts for the operation of the Wenatchee Community Center. The facility opened in May of 2006 and consists of four buildings and associated amenities. These include the Veteran's Hall which houses the Veteran's services office and a meeting/assembly room, the Social Hall, which included the main assembly area and a kitchen. This area is the home of the Wenatchee Food Bank and Parks and Recreation Department after school program. The Learning Center houses Wenatchee Valley College offices and classrooms and Head Start is located on the other building on the campus.

The revenues for this fund are derived from long term leases and one time rentals. The revenues from one time rentals have increased over the years as the facility has become better known. The expenditures include those items required to operate and maintain the facility.

The goals of the facility are to serve a large segment of the community in the most cost effective manner possible while striving to recover costs and make the facility cost neutral.

2008 Accomplishments

- Increased on time rentals of the facility and programming.
- Reinstated the Board of Directors.
- Transitioned the management of the Center from the Public Works Department to the Parks and Recreation Department.

2009 Goals

- Increase the cost recovery of the facility through marketing efforts, programmed activities, rentals, and investigation of cost efficiencies.
- Review operational policies and procedures for efficiencies.
- Operate and maintain the facility as a safe, aesthetically pleasing and high quality asset to the community.

Expenditure Summary

Community Center Operations		Fund Number 114					
	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget	Variance 2009 vs. 2008 Budget	
						Amount	Percent
Revenues							
One-Time Rentals	0	8,158	37,920	25,000	50,000	25,000	N/A
Leases	4,570	29,433	38,881	43,450	52,100	8,650	N/A
Miscellaneous	11,586	12,061	13,508	13,200	6,400	(6,800)	N/A
Total Revenues	16,156	49,652	90,309	81,650	108,500	26,850	N/A
Expenditure by Object							
Housing and Community Development	11,178	60,831	120,900	114,803	159,426	44,623	N/A
Miscellaneous	0	0	0	0	0	0	N/A
Total Expenditures	11,178	60,831	120,900	114,803	159,426	44,623	N/A
Other Financing Sources (Uses)							
Transfers In	0	69,175	8,702	0	20,000	20,000	N/A
Transfers Out	(180,000)	(83,472)	0	0	(1,300)	(1,300)	N/A
Insurance Recoveries	0	0	0	0	0	0	N/A
Total Other Sources (Uses)	(180,000)	(14,297)	8,702	0	18,700	18,700	N/A
Net Increase (Decrease) in							
Fund Balance	(175,022)	(25,476)	(21,889)	(33,153)	(32,226)	927	N/A
Beginning Fund Balance	447,516	272,494	247,018	225,129	191,976	(33,153)	N/A
Ending Fund Balance	272,494	247,018	225,129	191,976	159,750	(32,226)	-16.79%

Personnel Summary

Position	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget
Community Center Coordinator	0	0.46	0.5	0.95	1
Total Personnel	0	0.46	0.5	0.95	1

**CDBG Entitlement Fund
Community Development Department
Total 2009 Appropriations \$76,891
0 FTE**

Description

Wenatchee is a federal HUD "Entitlement" community, receiving a direct allocation of Community Development Block Grant funds from the U.S. Department of Housing and Urban Development (HUD), rather than competing for the funds through the State of Washington. The city's first 5-year Consolidated Plan was completed in 2005 and serves as the basis for annual plans.

Projects that were performed in 2008 include:

- Women's Resource Center: Capital Needs Assessment of Bruce Housing.
- Wenatchee Downtown Association: CBD Housing Assessment.
- Columbia Valley Housing Association: Homeownership Opportunities project – Community Land Trust model.
- City of Wenatchee: City Affordable Housing Needs Assessment & Report.
- City of Wenatchee: Housing Rehabilitation Program.
- City of Wenatchee: Public Facilities & Improvements in south Wenatchee.

Awarded projects that will be continued in 2009:

- Women's Resource Center: Bruce Hotel Safety Renovations.
- Columbia Valley Housing Association: Homeownership Opportunities project – Community Land Trust model.
- City of Wenatchee (or subrecipient): Fair Housing Activities.

Projects identified in the 2009 Annual Action Plan include:

- Continuation of the City's Housing Rehabilitation Program.
- Continuation of the City's sidewalk improvements in south Wenatchee.
- Pennsylvania Park renovation and playground equipment replacement.
- Development of 2010-2014 Wenatchee Consolidated Plan.

No 2009 projects will be undertaken without a signed contract between HUD and the City.

The sole appropriation in 2009 of \$76,891 is for the replacement of play area at Pennsylvania Park. Any additional appropriations in 2009 will be approved at a project level (as opposed to the more typical annual appropriation) by the City Council at the recommendation of Community Development staff.

Expenditure Summary

Fund Number	
CDBG Entitlement	115

	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget	Variance 2009 vs. 2008 Budget	
						Amount	Percent
Revenues							
CDBG	285,409	104,287	114,427	3,427	76,891	73,464	2143.68%
DOT Grant	0	0	0	0	0	0	#DIV/0!
Miscellaneous	0	0	48,225	0	0	0	#DIV/0!
Total Revenues	285,409	104,287	162,652	3,427	76,891	73,464	2143.68%
Expenditure by Object							
Operating	38,839	13,725	70,469	3,427	0	(3,427)	-100.00%
Capital	0	0	45,085	0	76,891	76,891	#DIV/0!
Total Expenditures	38,839	13,725	115,554	3,427	76,891	73,464	2143.68%
Other Financing Sources (Uses)							
Transfers In	0	0	0	0	0	0	#DIV/0!
Transfers Out	0	(325,021)	(9,111)	0	0	0	#DIV/0!
Total Other Sources (Uses)	0	(325,021)	(9,111)	0	0	0	#DIV/0!
Net Increase (Decrease) in							
Fund Balance	246,570	(234,459)	37,987	0	0	0	#DIV/0!
Beginning Fund Balance	0	246,570	12,111	50,098	50,098	0	0.00%
Ending Fund Balance	246,570	12,111	50,098	50,098	50,098	0	0.00%

Personnel Summary

	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget
Position					
Community Center Coordinator	0	0.27	0.23	0.05	0
Total Personnel	0	0.27	0.23	0.05	0

LEOFF 1 – Health Care Fund
Total 2009 Appropriations \$580,000
0 FTE

Description

RCWs 41.16 and 41.18 require cities in the State of Washington to pay for most health care costs incurred by pre-LEOFF and LEOFF 1 employees and retirees *for as long as they live* (LEOFF is an acronym for law enforcement officers and firefighters. Pre-LEOFF refers to those employees hired prior to March 1, 1970, while LEOFF 1 refers to those employees hired between March 1, 1970 and September 30, 1977). As of December 31, 2007, the City had 41 individuals (combined active and retired) that are eligible for this benefit:

	Active	Retired	Total	Medicare Eligible
Fire	2	19	21	12
Police	1	19	20	9
	3	38	41	21

At the time the Washington State Legislature added this feature to the benefit package of eligible employees and retirees, they failed to follow through with a source of funding with which cities, counties, or fire districts could cover the added costs of operations. As a result of this unfunded mandate the City has investigated how to responsibly provide this benefit to eligible individuals in the most cost effective manner possible. Ultimately we arrived at a solution that provides total coverage through three separate programs, each of which is financed by the City of Wenatchee.

1. The City pays the Part B premium for those 21 individuals that are Medicare eligible, which results in Medicare being the primary payer for related medical claims. We anticipate the total premium cost in 2009 will be \$26,800.
2. The City pays for medical insurance coverage for all 41 individuals through the Association of Washington Cities Employee Benefits Trust (AWC), which is a fully insured indemnity plan that offers specific coverage for particular maladies. If the individual is Medicare eligible, the AWC coverage is considered the secondary payer, if they are not Medicare eligible, AWC is considered primary. We anticipate the total premium cost in 2009 will be \$419,000.
3. Finally, the City is self-insured for those medical claims that are not covered by either Medicare or AWC. We anticipate our total out-of-pocket expenses in 2009 will be \$134,200.

In 2008 the City contracted with Milliman Inc. to conduct an actuarial study of the LEOFF 1 Health Care benefit and they estimated the net present value of this obligation at \$9,726,000. Further, they recommended the City set aside \$730,571 each year until 2027 in order to fully fund the obligation. This recommendation however assumed the City would not purchase medical insurance for any retirees but instead pay out-of-pocket for each and every dollar of health care costs incurred. We believe continuing to pay for health insurance coverage each year as we have been doing will in fact satisfy our legal and funding obligation to provide this benefit.

The City created this special revenue fund in 2005 as a means of setting money aside to finance current and future claims, and to provide an accounting for the medical claims costs incurred. The typical source of funding for this program will be an annual operating transfer from the General Fund. During 2005 however, the City closed-out the medical portion of its Self-Insurance Fund (see Part 12 of this document for a more in-depth discussion) and transferred excess reserves of \$156,418 to this Fund.

Annual contributions to this fund are as follows:

Year	General Fund	Self Insurance Fund Reserves	Total
2005	0	156,418	156,418
2006	542,500	0	542,500
2007	580,000	0	580,000
2008	580,000	0	580,000
2009	580,000	0	580,000
	<u>2,282,500</u>	<u>156,418</u>	<u>2,438,918</u>

Expenditure Summary

Fund Number	
LEOFF 1 - Health Insurance	116

	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget	Variance 2009 vs. 2008 Budget	
						Amount	Percent
Revenues							
Miscellaneous	322	10,485	16,142	12,500	11,500	(1,000)	-8.00%
Total Revenues	322	10,485	16,142	12,500	11,500	(1,000)	-8.00%
Expenditure by Object							
AWC Insurance Premiums	0	406,521	364,269	420,268	419,000	(1,268)	-0.30%
Medicare Part B Premiums	0	26,521	28,213	31,121	26,800	(4,321)	-13.88%
City Out-of-Pocket Expenses	0	47,151	60,243	128,611	134,200	5,589	4.35%
Miscellaneous Expense	0	100	0	0	0	0	#DIV/0!
Total Expenditures	0	480,293	452,725	580,000	580,000	0	0.00%
Other Financing Sources (Uses)							
Transfers In - General Fund	0	542,499	580,000	580,000	580,000	0	0.00%
Transfers In - Self-Ins. Fund	156,418	0	0	0	0	0	#DIV/0!
Operating Transfer Out	0	0	0	0	0	0	N/A
Total Other Sources (Uses)	156,418	542,499	580,000	580,000	580,000	0	0.00%
Net Increase (Decrease) in Fund Balance							
Fund Balance	156,740	72,691	143,417	12,500	11,500	(1,000)	-8.00%
Beginning Fund Balance	0	156,740	229,431	372,848	385,348	12,500	3.35%
Ending Fund Balance	156,740	229,431	372,848	385,348	396,848	11,500	2.98%

Homeless Housing Fund
Community Development Department
Total 2009 Appropriations \$372,168
0 FTE

Description

In 2006, an Interlocal Cooperation Agreement between Chelan and Douglas Counties and the Cities of East Wenatchee and Wenatchee was created for the purpose of Administering and Distributing "Homelessness Funds" created by HB 2163 in accordance with the Joint Homelessness Plan.

Washington State legislature passed Engrossed Second Substitute House Bill 2163 on April 7, 2005. ESSB 2163 directed local government entities to prepare and enact a ten-year homeless housing strategic plan with a minimum goal of reducing homelessness by fifty percent by July 1, 2015 and authorized the collection of an additional ten-dollar surcharge under RCW 36.22.178 on documents recorded in County Auditor offices. ESSB 2163 specifies that 60% of the ten dollar surcharge monies shall be applied to the completion of tasks and attainment of the goals and objectives of the ten-year homeless housing strategic plan and held in a separate fund for that purpose, with 6% of that fund applied to administrative costs associated with the plan

The parties to the interlocal agreement engaged in a joint collaborative public process with a Local Homeless Housing Task Force to complete the "Ten-Year Plan to Reduce Homelessness in Chelan and Douglas Counties" in December 2005 and the referenced ten dollar surcharge is being collected in the Chelan and Douglas County Auditor's offices and held by the Treasurers' of the two counties; balances are transferred to the City of Wenatchee biannually. Additionally, the Homeless Housing Task Force updated the "Plan to End Homeless in Chelan and Douglas Counties" in January 2007.

The agreement identifies the City of Wenatchee as the lead entity for the expenditure of ESSB 2163 – Homelessness Plan Funds in accordance with the "Ten-Year Plan to Reduce Homelessness in Chelan and Douglas Counties". Chelan and Douglas Counties have transferred their rights to retain six percent (6%) of ESSB 2163 – Homelessness Funds for administrative costs to the City of Wenatchee.

The Homeless projects performed in 2008 include:

- Women's Resource Center: Strong Families / Transitioning in Place program.
- City of Wenatchee/9th St Alternatives Group: Direct relocation assistance to residents displaced from the Ninth Street trailer park closure.
- Hospitality House: Homeless facilities restoration (Haven of Hope & Hospitality House).
- YWCA: Bridges Transitional Housing Assessment and Renovations.
- City of Wenatchee/CC Consulting: Implementing the Homeless Act.

The 2009 Homeless Work Plan projects identified are:

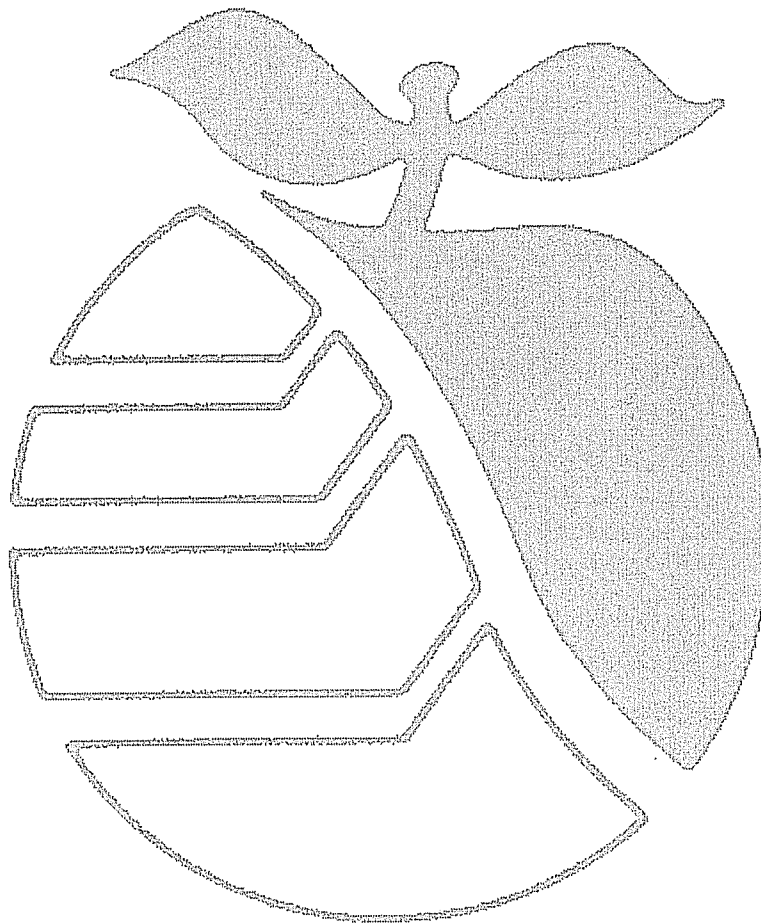
- Women's Resource Center: Strong Families / Transitioning in Place program.
- YWCA: Bridges Transitional Housing Renovations.
- City of Wenatchee/CC Consulting: Implementing the program.
- Finding Grace: Start up and operations funding for women's homeless shelter.
- Hospitality House: Homeless facilities restoration (Haven of Hope & Hospitality House).
- Women's Resource Center: Homeless outreach program.
- YWCA: New transitional housing acquisition and renovation.

Expenditure Summary

Fund Number	
Homeless Housing Fund	117

	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget	Variance 2009 vs. 2008 Budget	
						Amount	Percent
Revenues							
Homeless Housing - Chelan County	0	150,764	181,546	210,000	210,000	0	0.00%
Homeless Housing - Douglas County	0	67,798	91,249	100,000	100,000	0	0.00%
Miscellaneous	0	809	33,419	6,700	4,700	(2,000)	N/A
Total Revenues	0	219,371	306,214	316,700	314,700	(2,000)	-0.63%
Expenditure by Object							
Operating	0	15,007	141,084	479,848	353,568	(126,280)	-26.32%
Capital	0	0	0	0	0	0	#DIV/0!
Total Expenditures	0	15,007	141,084	479,848	353,568	(126,280)	-26.32%
Other Financing Sources (Uses)							
Transfers In	0	0	0	0	0	0	N/A
Transfers Out	0	(14,394)	(16,368)	(18,600)	(18,600)	0	N/A
Total Other Sources (Uses)	0	(14,394)	(16,368)	(18,600)	(18,600)	0	N/A
Net Increase (Decrease) in							
Fund Balance	0	189,970	148,762	(181,748)	(57,468)	124,280	N/A
Beginning Fund Balance	0	0	189,970	338,732	156,984	(181,748)	-53.66%
Ending Fund Balance	0	189,970	338,732	156,984	99,516	(57,468)	-36.61%

Part 9. Debt Service Funds



UTGO Bonds-Police Station Construction
Finance Department
Total 2009 Appropriations \$365,653
FTE 0

Description

This fund is used to account for the accumulation of resources for, and the payment of all taxpayer approved debt issues of the City. Debt that will be serviced from this fund includes bonds that were issued by the City in 2001. These are unlimited tax general obligation (UTGO) bonds, and as such the full faith, credit and resources of the City have been irrevocably pledged for their prompt payment. For as long as the Bonds are outstanding, the City irrevocably pledges to levy taxes annually without limitation as to rate or amount on all taxable property within the City in an amount sufficient, together with other money legally available and to be used therefore, to pay the principal of and interest on the Bonds when due.

Summary

Unlimited tax general obligation (UTGO) bonds were issued December 1, 2001, in the amount of \$4,800,000 to finance the acquisition, design, construction and equipping of a new police station. The City's authority to issue the bonds was provided by the citizens of Wenatchee on September 18, 2001, when a proposition to issue the bonds was approved by a voter turnout of 7,726 (representing 57.4% of the voter turnout at the preceding general election), with 67.93% (5,248) of the voters voting for the Bonds and 32.07% (2,478) of the voters voting against the Bonds. These are twenty-year bonds requiring annual payments of principal and interest, and are due to be paid-off in 2021.

Expenditure Summary

		Fund Number					
UTGO Bonds - Police Station Const.		201					
	2005	2006	2007	2008	2009	Variance 2009 vs. 2008 Budget	
	Actual	Actual	Actual	Budget	Budget	Amount	Percent
<u>Revenues</u>							
Property Taxes	368,095	366,980	365,619	363,153	365,653	2,500	0.69%
Interest Income	0	0	0	0	2,600	2,600	N/A
Total Revenues	368,095	366,980	365,619	363,153	368,253	5,100	1.40%
<u>Expenditure by Object</u>							
Debt Service Payments	368,894	367,419	365,465	363,153	365,653	2,500	0.69%
Operating Transfers Out	0	0	0	0	0	0	N/A
Total Expenditures	368,894	367,419	365,465	363,153	365,653	2,500	0.69%
Net Increase (Decrease) in							
Fund Balance	(799)	(439)	154	0	2,600	2,600	N/A
Beginning Fund Balance	(13,409)	(14,208)	(14,647)	(14,493)	(14,493)	0	0.00%
Ending Fund Balance	(14,208)	(14,647)	(14,493)	(14,493)	(11,893)	2,600	-17.94%

<p style="text-align: center;">LTGO Bonds Finance Department Total 2009 Appropriations \$1,016,412 0 FTE</p>
--

Description

This fund is used to account for the accumulation of resources for, and the payment of all nonvoted debt issues of the City. Debt that will be serviced from this fund includes councilmanic bonds that were issued by the City in 1998 and 2007 and a bond anticipation note issued in 2008. The term "councilmanic" means bonds issued at the discretion of the City Council and not requiring a vote of the populace. These are limited tax general obligation (LTGO) bonds and as such, the full faith, credit and resources of the City have been irrevocably pledged for the timely payment of principal and interest, within the constitutional and statutory limitations pertaining to non-voted general obligations. This type of bond differs from the UTGO bond discussed on the previous page in that the City cannot pledge to levy taxes without limitation as to rate or amount on all taxable property within the City. Instead, the City repays these bonds with currently available resources.

Summary

During 1998, the City Commission voted to issue \$4,085,000 in LTGO/councilmanic bonds. The proceeds of this issue were used to finance street overlay projects in 1998, 1999 and 2000 (see Part 9 of this budget document – "Street Overlay Fund" for a detailed explanation of the street overlay program). These are sixteen-year bonds and will be paid-off in 2014. The 2009 payment reflects principal of \$280,000 and interest of \$92,226 for a total payment of \$372,226. The source of funding for the payment is:

- A dedication of ½ of the 6% property tax increase taken in 1998 equal to \$96,253.
- A dedication of ¾ of the 4% property tax increase taken in 1999 equal to \$105,513.
- A portion of the first ¼% Real Estate Excise Tax for the balance of the payment, which in 2009 is \$170,460.

During 2007, the City Council voted to issue \$4,045,000 in LTGO bonds, the proceeds of which will be used as follows:

- \$3,166,022 that will be used to in-part finance the construction of a \$15 million public works facility that was completed in the fall of 2008. These are 20-year bonds and are due to be paid-off in annual installments running through 2027. Annual debt service payments of approximately \$236,000 will be funded with a portion of the 1st ¼ of 1% real estate excise tax.
- \$167,867 that will be used in to finance improvements at City Hall including \$61,042 for the HVAC system, and \$101,825 in Council Chamber renovations. These are 15-year bonds and are due to be paid-off in annual installments running through 2022. Annual debt service payments of approximately \$15,200 per year will be funded through the General Fund.
- \$711,111 that will be used to finance a variety of technology related improvements at the Convention Center. These are 15-year bonds and are due to be paid-off in annual installments running through 2022. Annual debt service payments of approximately \$64,100 per year will be funded through money generated by Convention Center operations and a share of the Chelan County hotel/motel tax that is generated by hotels/motels located in the unincorporated areas of the County.

During 2007, the City Council voted to issue \$2,560,000 in LTGO/councilmanic bonds to refinance similar bonds that were originally issued in 1997 to finance improvements at the Convention Center. By refinancing the bonds at a lower interest rate the City will save \$274,466 in future debt service payments for a net present value savings of \$214,274. These are 14-year bonds and are due to be paid-off in annual installments running through 2021. Annual debt

service payments of approximately \$244,400 per year will be funded through money generated by Convention Center operations.

On November 20, 2008 the City Council approved Ordinance #2008-33 which authorized the issuance of up to \$3,100,000 in LTGO bond anticipation notes (BAN) from the Cashmere Valley Bank. Proceeds of the BAN were used to complete the Public Service Center located on McKittrick Street. Terms of the BAN are that interest will be computed at an annual rate of 75% of the prime rate and that the City will make interest only payments semi-annually for a period of up to 3-years. For 2009 we estimated and appropriated \$94,400 for this interest payment. The City may prepay the BAN in whole or in part at any time with a 15-day notice to the Cashmere Valley Bank with no prepayment fee. It is the City's intention to repay the loan with the proceeds from the future sale of two parcels of land.

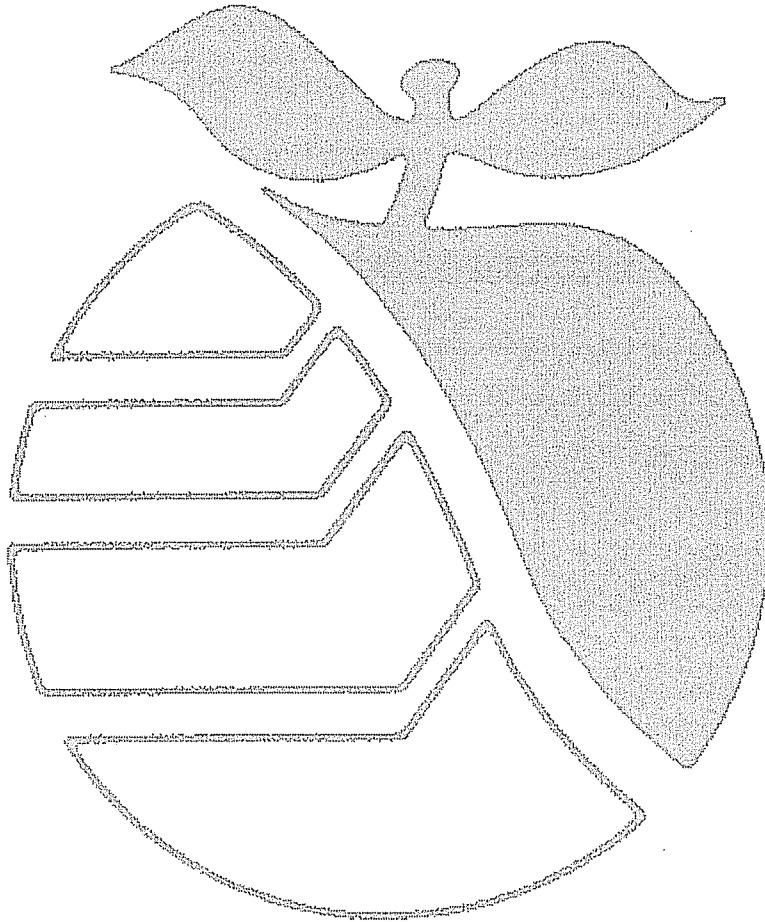
The Councilmanic Bond Fund accumulates on a monthly basis the money necessary to make semi-annual interest payments, annual principal payments, and debt service costs. Each year enough money is transferred from various City funds to exactly meet principal and interest payments, and the debt service costs are met with interest earnings.

Expenditure Summary

Fund Number	
LTGO - Councilmanic Bonds	205

	2005	2006	2007	2008	2009	Variance 2009 vs. 2008 Budget	
	Actual	Actual	Actual	Budget	Budget	Amount	Percent
Revenues							
Transfers In	766,027	769,818	712,192	1,018,622	1,016,412	(2,210)	-0.22%
Bond Proceeds	0	0	2,560,000	0	0	0	#DIV/0!
Interest Income	0	0	0	0	8,400	8,400	N/A
Total Revenues	766,027	769,818	3,272,192	1,018,622	1,024,812	6,190	0.61%
Expenditure by Object							
Debt Service Payments	766,812	770,600	712,192	1,018,662	1,016,412	(2,250)	-0.22%
Bond Retirement	0	0	2,555,352	0	0	0	#DIV/0!
Miscellaneous			783				
Transfers Out	0	0	0	0	0	0	N/A
Total Expenditures	766,812	770,600	3,268,327	1,018,662	1,016,412	(2,250)	-0.22%
Net Increase (Decrease) in							
Fund Balance	(785)	(782)	3,865	0	8,400	8,400	N/A
Beginning Fund Balance	17,148	16,363	15,581	19,446	19,446	0	0.00%
Ending Fund Balance	16,363	15,581	19,446	19,446	27,846	8,400	43.20%

Part 10. Capital Project Funds



Real Estate Excise Tax
Total 2009 Appropriations \$506,379
0 FTE

Description

The Real Estate Excise Tax Fund collects revenues via a ¼ of one percent real estate excise tax that is paid by the seller of a piece of real estate. We estimate this tax source will generate \$375,000 of income in 2009.

2009 appropriations are composed of:

- A \$406,379 expenditure reflecting a transfer to the LTGO/Councilmanic Bond Debt Service Fund (see Part 9 of this document for a more in-depth discussion) to pay:
 - \$170,460 of the debt service on the 1998 LTGO bonds that were issued to pay for street overlays. These were 15-year bonds that will be paid-off in 2014.
 - \$235,919 of the debt service on the portion of the 2007 LTGO bonds whose proceeds were applied to the construction of the public works facility expected to be completed in the fall of 2008. These are 20-year bonds that will be paid-off in annual payments through 2027.
- A \$100,000 expenditure for the acquisition of a park site and community building.

Expenditure Summary

Fund Number	
Real Estate Excise Tax	301

	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget	Variance 2009 vs. 2008 Budget	
						Amount	Percent
<u>Revenues</u>							
Real Estate Excise Tax	475,696	587,754	526,531	535,000	375,000	(160,000)	-29.91%
Interest	4,340	22,033	25,750	10,000	100	(9,900)	-99.00%
Grants	(100,000)	9,372	47,271	141,857	0	(141,857)	-100.00%
Miscellaneous	0	0	0	0	0	0	#DIV/0!
Total Revenues	380,036	619,159	599,552	686,857	375,100	(311,757)	-45.39%
<u>Expenditure by Object</u>							
Debt Service	170,557	175,208	174,060	407,629	406,379	(1,250)	-0.31%
Capital Outlay	164,969	10,450	47,271	241,857	100,000	(141,857)	-58.65%
Total Expenditures	335,526	185,658	221,331	649,486	506,379	(143,107)	-22.03%
<u>Other Financing Sources (Uses)</u>							
Transfers In	0	0	0	0	0	0	#DIV/0!
Transfers Out	0	0	(500,000)	(500,000)	0	500,000	N/A
Total Other Sources (Uses)	0	0	(500,000)	(500,000)	0	500,000	-100.00%
Net Increase (Decrease) in							
Fund Balance	44,510	433,501	(121,779)	(462,629)	(131,279)	331,350	-71.62%
Beginning Fund Balance	236,170	280,680	714,181	592,402	129,773	(462,629)	-78.09%
Ending Fund Balance	280,680	714,181	592,402	129,773	(1,506)	(131,279)	-101.16%

Orondo Boat Moorage
Total 2009 Appropriations \$593,407
0 FTE

Description

The Orondo Day Use Moorage and Parking Expansion Capital Projects Fund will be constructed in 2009. The project provides for the construction of 200 linear feet of day use moorage, accessed by a fixed pier and gangway, connecting a newly expanded vehicle/trailer parking area with 10 new stalls (increasing our capacity by one-third) in conjunction with the Orondo Avenue boat ramp. The project is a part of the adopted Wenatchee Waterfront Subarea Plan (adopted February 2004) and will create the only day-use moorage along the Columbia River and Riverfront Park in the Wenatchee urban area. The total cost estimates for this project is \$673,800 and we anticipate the construction portion will be bid in spring 2009. Funding is provided by a grant from the WA State Recreation and Conservation Office (RCO) (\$473,800) and the Port of Chelan County (\$200,000).

Orondo Boat Moorage

309

	Actual 2007	2008 Budget	2009 Budget	Total
Revenues				
IAC / RCO	268	80,125	393,407	473,800
Port of Chelan County	0	0	200,000	200,000
Total revenues	268	80,125	593,407	673,800
Expenses				
Capital construction	3,517	76,876	593,407	673,800
Miscellaneous	0	0	0	0
Total expenses	3,517	76,876	593,407	673,800
Revenues over (under) expenses	(3,249)	3,249	(0)	0
Beginning fund balance	0	(3,249)	0	0
Ending fund balance	(3,249)	0	(0)	0

Foothills Trail
Total 2009 Appropriations \$122,869
0 FTE

Description

The Foothills Trail Capital Projects Fund is anticipated to be constructed during 2008 and 2009 and will implement the Foothills Trails plan by funding the construction of the Horse Lake Road Trailhead, the Day Road Trailhead and a 4.1-mile trail that links the two areas. The project is estimated to cost a total of \$345,732 including a \$172,043 grant from the WA State Recreation and Conservation Office (RCO) and a local match of in-kind services totaling \$173,689 that includes labor, cash and donated easements.

Foothills Trail Project

310

	Actual 2007	Budget 2008	Budget 2009	Total
Revenues				
IAC / RCO	0	49,174	122,869	172,043
Miscellaneous	0	0	0	0
Total revenues	0	49,174	122,869	172,043
Expenses				
Capital construction	8,174	41,000	122,869	172,043
Miscellaneous	0	0	0	0
Total expenses	8,174	41,000	122,869	172,043
Revenues over (under) expenses	(8,174)	8,174	0	0
Beginning fund balance	0	(8,174)	0	0
Ending fund balance	(8,174)	0	0	0

City Hall – HVAC/Chamber Upgrades
Total 2009 Appropriations \$60,000
0 FTE

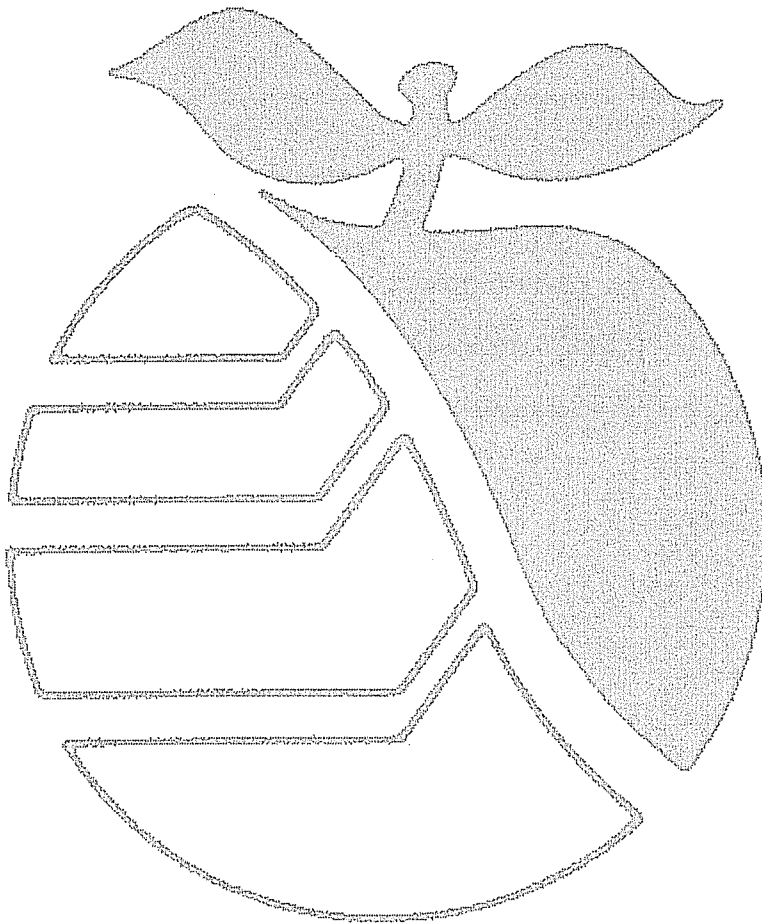
Description

The City Hall-HVAC/Chamber Upgrades Capital Projects Fund was established in 2007 in order to account for the 2007 LTGO/councilmanic bond financed renovation of the City Hall heating/ventilation/air condition system that was budgeted at \$60,000, and furniture and equipment upgrades in the council chambers budgeted at \$105,000 (see Part 9 of this document for a more in-depth discussion of the LTGO bond issue). The bonds were issued in November 2007, the Council Chamber upgrades project took place in 2008 and the City Hall HVAC upgrades are slated to take place in 2009.

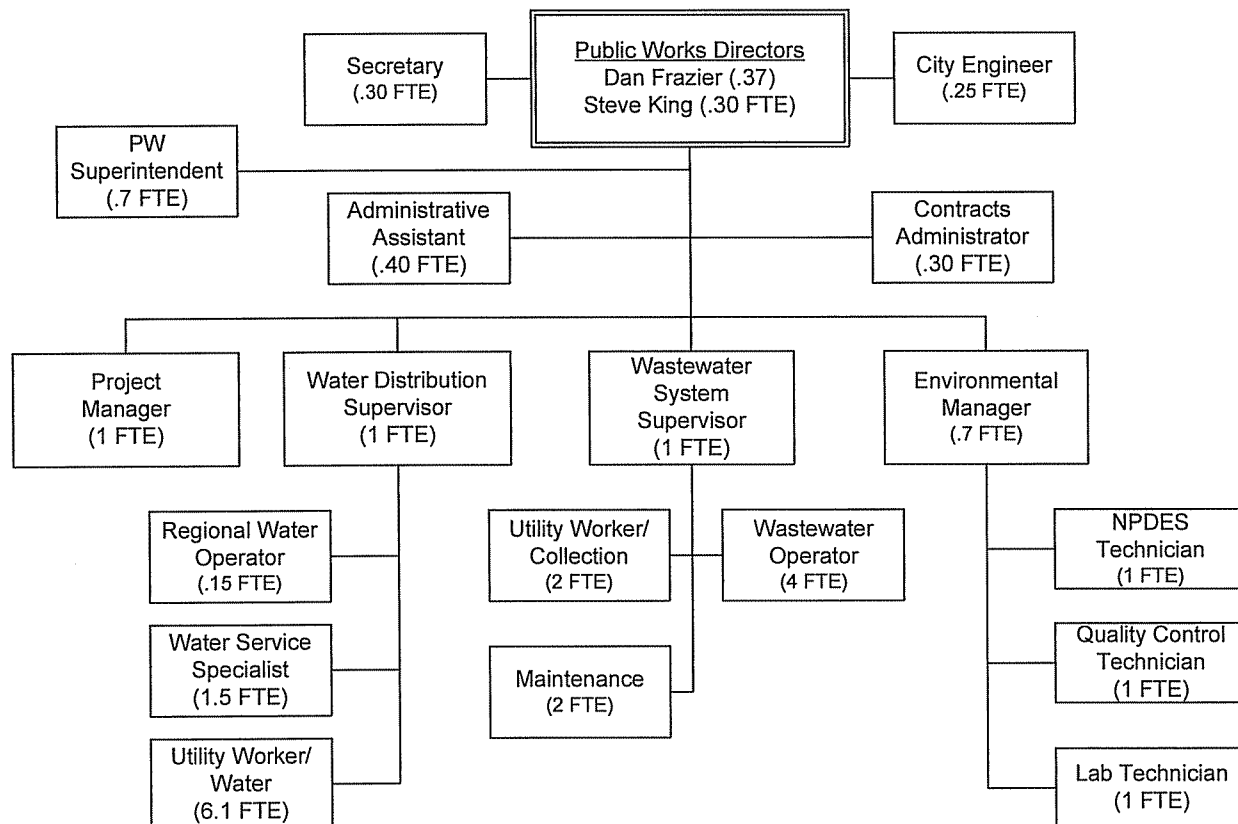
		Fund Number		
CITY HALL - HVAC/CHAMBER UPGRADES		311		
	2007 Actual	2008 Budget	2009 Budget	Project Total
Revenues				
2007 LTGO Bond Proceeds	167,868	0	0	167,868
Transfer In from General Fund	0	20,000	0	20,000
Total revenues	167,868	20,000	0	187,868
Expenses				
Debt Issue Costs	1,847	0	0	1,847
Capital construction	0	125,000	60,000	185,000
Total expenses	1,847	125,000	60,000	186,847
Revenues over (under) expenses	166,021	(105,000)	(60,000)	1,021
Beginning Fund Balance	0	166,021	61,021	0
Ending Fund Balance	166,021	61,021	1,021	1,021

This page left intentionally blank.

Part 11. Enterprise Funds



Water/Wastewater Utility
Public Works Department
Total 2009 Appropriations \$12,049,089
25.07 FTE



Description

The Water/Wastewater Division of the Public Works Department provides water and sanitary sewer services for the City of Wenatchee and sewer service to the Olds Station area and Sunnyslope located outside City limits but within the Urban Growth Boundary. This division is funded solely through utility rates along with other fees for miscellaneous services rendered as well as interest revenue generated from invested cash reserves.

2008 Accomplishments

Water Distribution:

- Replacement of old Steel water main on Summerhill Place. City crews added a new fire hydrant to the end of the cul-de-sac to provide better fire protection.
- Replaced 60 year old steel water main on the 1100 block of Fuller Street. The job includes swapping over existing service lines to the new Ductile Iron main line. We also filled the old line with concrete slurry to prevent it from collapsing and causing settling in the road.
- Along with the day to day activities, the water crew prepped our Public Works building, along with the Ninth Street yard, for the big move to the Public Services Center. Moving parts, pieces and equipment proved to be a lot of hard work and the move went successfully.
- Our utility crew installed approximately 650 feet of 12 inch storm line on Worthen Street which included three manhole sets.

- 300 feet of 20" storm line was installed on the 1800 block of Jefferson to accommodate the potential overflow of the 8 million gallon reservoir.
- Approximately 20 new fire hydrants were installed in 2008. The water shop is striving to improve our hydrant maintenance program by working with the fire department to coordinate which fire hydrants need immediate attention.
- The water shop, mechanics and collection crew worked together to design, build, paint and outfit the new camera truck as well as the water department's primary service truck.
- Successfully sealed and renovated the 4 MG reservoir.

Wastewater:

- | | |
|---|---|
| <ul style="list-style-type: none"> • Completion of Comprehensive Sewer Plan • Completion of Comprehensive Facility Plan • Hypochlorite system • Blower motor • W1 leaks • Truck bay heater • Waste gas burner/drop trap repair • New controls on boiler for more efficient operations • Sludge grinder (Muffin Monster) • BFP booster pump leaks • Digester 2&3 foam separators' • Polymer room heater • Base pumps 1&2 check valve springs • Gas compressor refurbishment • Polymer room heater • Non pot # 2 • TWAS pump seal water leak | <ul style="list-style-type: none"> • Took down, clean & maintenance East AB • GBT wash box sludge leaking • Update QA manual • Lab proficiency test-DMRQA • Landscaping inside plant • Plant Operations Optimization Program (POOP) • TIE • Asphalt work at drying beds • Drying bed expansion • Moved to new shop • Updated data management • Hired new staff including operations, maintenance, utility and Supervisor • 7 years of lab data organized • Made UV room screen cleaning and Solids handling safer • Landscaping Worthen St. • Boiler water loop rehabilitation • Boiler rehabilitation |
|---|---|

Goals

Management & Administration:

- Continue to emphasize safety awareness and related training for all employees.
- Develop 2009 Water System Comprehensive Plan
- Continue Implementation of the cross connection control program.
- Generate the third edition of the Water Resource Review public education publication.
- Selection and design of odor control and visual mitigation measures at the WWTP.
- Represent the City for watershed planning efforts in the area

Water Distribution:

- Keep safety our number one goal and look for ways to improve.
- Continue to replace and maintain our fire hydrants.
- Inspect all of our water chambers, lids and frames. Document any problems or concerns and correct any problems
- Do our part to insure the Riverside Drive project is a success. We have hydrants to relocate, vaults to lower, air vacuum valves to install as well as water taps and connections.
- Help Apple Blossom vendors connect to our water system by setting up water trees and testing the numerous back flow preventers.
- Assist all other departments with projects if needed including the North Wenatchee Ave turn lane project, Public Service Center boot wash and storm water swale project.
- Install new mainline on Fuller Street for the hospital upgrade.

- Remove and replace old piping at the one-million gallon reservoir.
- Inspect, clean and repair if needed all pressure zone PRV's. Clean, paint and relocate pressure gauges in PRV vaults to help eliminate the confined space hazard.
- Assist in the snow melt construction.
- Assist Street Department in snow removal and sanding.
- Locate existing sewer at old 9th street yard and extend it to the building.
- Complete the 8 MG reservoir overflow project.
- Complete the Regional Water chlorination replacement system.

Wastewater:

- Another violation free year
- Process remodeling
- Upgrade inventory/maintenance log
- New NPDES permit application
- Monthly staff workshops (safety, maintenance, operations, collections)
- Figure out automated RAS control
- Install inline turbidimeter
- Update plant MSDS sheet book
- PLC/panel-view training
- Digester maintenance
- Project light by wet-well down
- Landscape inside plant
- Wire emergency gen-set to work for all needed lift stations
- Emergency procedures
- 2nd level Dehumidifier installed
- Base pump project
- Take down West AB for maintenance
- Clean pre-aeration
- Pump down wet-well and clean head works trough.
- Work with Environmental staff on related issues
- Tours for Wenatchee School District 8th grade program
- Data base for preventative maintenance
- Lab proficiency testing
- Condensation tank
- WET testing (Jan. & June)
- Clean drying bed drains
- Odor and visual planning
- Store room organization
- TWAS pump rotor/stator replace
- Primary clarifier #1 spray H2O spray arms replacement
- Secondary clarifier skirting replacement

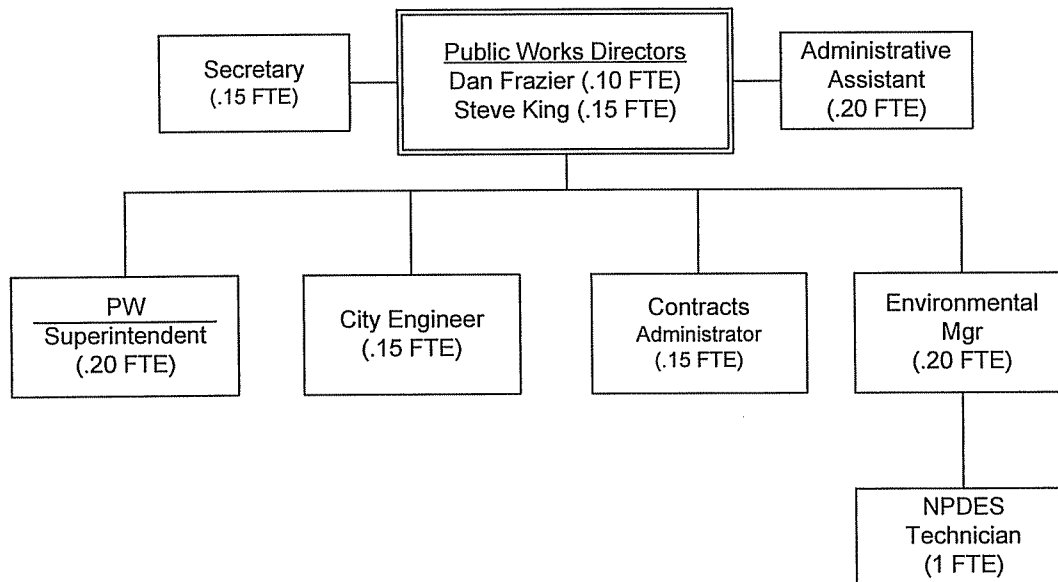
Expenditure Summary:

		Fund Number					
Water/Sewer Utility		401					
	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget	Variance 2009 vs. 2008 Budget	
						Amount	Percent
Revenues							
Utility Sales	6,799,467	7,244,818	7,386,808	7,946,700	8,253,700	307,000	3.86%
Interest Revenue	245,141	354,982	277,931	272,200	206,900	(65,300)	-23.99%
Miscellaneous	43,016	25,102	135,508	34,200	32,400	(1,800)	-5.26%
Total Revenues	7,087,624	7,624,902	7,800,247	8,253,100	8,493,000	239,900	2.91%
Expenditure by Object							
Operations and Maintenance	2,720,712	2,903,959	3,292,895	3,903,934	3,962,788	58,854	1.51%
General Administration	1,550,648	1,694,369	1,762,002	2,018,680	2,097,504	78,824	3.90%
Bond Interest Expense & Related Charges	228,416	210,221	210,655	411,038	362,405	(48,633)	-11.83%
SRF Loan Interest	84,028	100,566	119,413	105,699	100,652	(5,047)	-4.77%
Amortization of Debt Discount and Exp	12,695	12,695	13,103	0	0	0	#DIV/0!
Total Expenditures	4,596,499	4,921,810	5,398,067	6,439,351	6,523,349	83,998	1.30%
Revenues Over (Under Expenses)	2,491,125	2,703,092	2,402,180	1,813,749	1,969,651	155,902	8.60%
Other Financing Sources (Uses)							
Capital Outlay	(3,541,173)	(2,645,562)	(2,357,494)	(1,599,500)	(4,395,000)	(2,795,500)	174.77%
Transfer In (Out)	0	0	(333,852)	374,500	(3,000)	(377,500)	-100.80%
Loan to Other Funds	0	(2,495,792)	0	(1,000,000)	0	1,000,000	-100.00%
Loan Repayment from Other Funds	0	0	1,316,301	1,179,491	0	(1,179,491)	-100.00%
SRF Loan Proceeds	3,069,866	129,715	0	0	0	0	#DIV/0!
SRF Loan Principal	0	0	(145,956)	(334,184)	(339,231)	(5,047)	1.51%
Bond Proceeds	0	0	5,127,170	0	0	0	#DIV/0!
Bond Principal Retirement	(726,315)	(744,030)	(668,690)	(758,917)	(788,509)	(29,592)	3.90%
Total Other Activities	(1,197,622)	(5,755,669)	2,937,479	(2,138,610)	(5,525,740)	(3,387,130)	158.38%
Net Increase (Decrease) in							
Working Capital	1,293,503	(3,052,577)	5,339,660	(324,861)	(3,556,089)		
Beginning Working Capital				8,924,054	8,599,193		
Ending Working Capital				8,599,193	5,043,104		

Personnel Summary:

Position	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget
Public Works Director	0.2	0.2	0.2	0.65	0.67
Water Resource Manager	0.9	0.9	0.9	0	0
City Engineer	0.25	0.25	0.25	0.25	0.25
Assistant City Engineer	0	0	0	0	0
Administrative Assistant	0.85	0.85	0.4	0.4	0.4
Contracts Administrator	0	0	0.3	0.3	0.3
Secretary/Receptionist	0	0	0.3	0.3	0.3
Water Distribution Supervisor	1	1	1	1	1
Utility Worker/Water	5	5	5.1	5.1	6.1
Water Service Specialist (Meter Reader)	1.5	1.5	1.5	1.5	1.5
Regional Water Operators	0.75	0.75	0.15	0.15	0.15
Wastewater Supervisor	1	1	1	1	1
Utility Worker/Collection	2	2	2	2	2
Wastewater Operator	5	5	5	5	4
Wastewater Maintenance	1	1	2	2	2
Environmental Coordinator	0.95	0.95	0.95	0.8	0
Quality Control Technician	1	1	1	1	1
Lab Technician	1	1	1	1	1
NPDES Technician	1	1	1	1	1
Grounds Maintenance	0	0	0	0	0
Utilities & Environment Manager	0	0	0	0.75	0.7
Project Manager	0	0	0	1	1
PW Superintendent	0	0	0	0	0.7
Total Personnel	23.4	23.4	24.05	25.2	25.07

Storm Drain Utility
Public Works Department
Total 2009 Appropriations \$1,383,415
2.3 FTE



Description

The purpose of the Storm Drain Utility Fund is to provide an account for funds related to the maintenance, improvement, and expansion of the City's storm sewer system. The revenue for this fund is generated from a flat monthly charge to each single-family residence as well as a monthly charge to commercial and multi-family residences based on an "equivalent residential unit." The equivalent residential unit is an impervious surface of 3,000 square feet.

Due to the National Pollutant Discharge Elimination System (NPDES) regulations, utility funds are being used to fund maintenance associated with keeping stormwater clean. Such maintenance activities include public education, street sweeping, catch basin cleaning, and more. The City has not had a strict maintenance program in the past and any work done was performed under the Street budget. This year, is the third year that formal accounting will be performed to track maintenance of the system and costs associated with pollution control.

2008 Accomplishments

- Worked with the Wenatchee Valley Stormwater Technical Advisory Committee on the development of a Stormwater Management Plan necessary to comply with NPDES.
- Swept City streets with vacuum type machines to clean stormwater runoff.
- Cleaned catch basins and stormwater trunklines.
- Continued design of the Linden Tree Outfall project.
- Completed mapping of over 90% of the stormwater facilities in the City.
- Completed the second permit year under the NPDES permit issued by the Department of Ecology.
- Adopted a public participation plan and public involvement plan.
- Made stormwater improvements to Worthen Street fronting the Wastewater Treatment Plant.
- Provided public education on stormwater issues at the KPQ Homeshow and through the Kids in the Creek program
- Responded to stormwater complaints.
- Replaced a dilapidated stormwater pipe crossing the Stemilt parking lot near Miller Street.

2009 Goals

- Construct the Ninth Street Stormwater outfall, known as the Linden Tree outfall.
- Perform miscellaneous improvements to fix existing drainage problems associated with the street maintenance program.
- Complete a comprehensive plan update process.
- Perform maintenance activities to improve water quality including street sweeping and catch basin cleaning.
- Adopt a stormwater management program in compliance with the state wide NPDES Phase II permit.
- Continue working on implementing the City Snow Melt System.
- Install stormwater improvements in terms of water quality and conveyance along the waterfront associated with the Riverside Drive project.

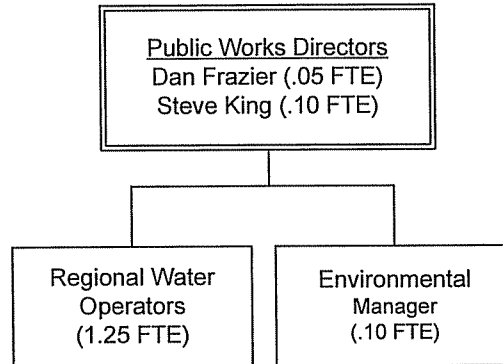
Expenditure Summary:

		Fund Number					
Storm Drain Utility		410					
	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget	Variance 2009 vs. 2008 Budget	
						Amount	Percent
Revenues							
Intergovernmental Revenue	0	798	250	33,000	0	(33,000)	-100.00%
Utility Sales	578,579	716,812	870,826	965,100	998,100	33,000	3.42%
Interest Revenue	59,413	60,898	64,120	63,000	29,200	(33,800)	-53.65%
Miscellaneous	32	4,159	84	0	0	0	#DIV/0!
Total Revenues	638,024	782,667	935,280	1,061,100	1,027,300	(33,800)	-3.19%
Expenditure by Object							
Operations and Maintenance	191,400	338,508	358,470	606,450	635,001	28,551	4.71%
General Administration	0	0	0	0	0	0	N/A
Interest Expense & Related Charges	123,683	117,744	111,508	104,651	97,581	(7,070)	-6.76%
Amortization of Debt Discount and Exp	3,704	3,704	3,704	0	0	0	N/A
Arbitrage Rebate Tax	0	0	0	0	0	0	N/A
Total Expenditures	318,787	459,956	473,682	711,101	732,582	21,481	3.02%
Revenues Over (Under Expenses)	319,237	322,711	461,598	349,999	294,718	(55,281)	-15.79%
Other Financing Sources (Uses)							
Capital Outlay	(1,164,251)	(250,099)	(346,110)	(520,000)	(495,000)	25,000	-4.81%
Bond Principal Retirement	(130,000)	(135,000)	(140,000)	(150,417)	(155,833)	(5,416)	3.60%
Total Other Activities	(1,294,251)	(385,099)	(486,110)	(670,417)	(650,833)	19,584	-2.92%
Net Increase (Decrease)							
in Working Capital	(975,014)	(62,388)	(24,512)	(320,418)	(356,115)		
Beginning Working Capital				842,608	522,190		
Ending Working Capital				522,190	166,075		

Personnel Summary:

Position	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget
Public Works Director	0.2	0.2	0.2	0.25	0.25
City Engineer	0.15	0.15	0.15	0.15	0.15
Administrative Assistant	0.1	0.1	0.2	0.2	0.2
Contracts Administrator	0	0	0.15	0.15	0.15
Secretary	0	0	0.15	0.15	0.15
NPDES Technician	1	1	1	1	1
Street Maintenance Supervisor	0.1	0	0	0	0
Utility Worker/Streets	0.8	0	0	0	0
Utilities & Environmental Manager	0	0	0	0.2	0.2
Environmental Coordinator	0	0	0	0.2	0
PW Superintendent	0	0	0	0	0.2
Total Personnel	2.35	1.45	1.85	2.3	2.3

Regional Water Fund
Public Works Department
Total 2009 Appropriations \$2,353,258
1.50 FTE

**Description**

The Wenatchee Regional Water System supplies water to systems operated by the City of Wenatchee, the Chelan County Public Utility District (PUD) and the East Wenatchee Water District (EWWWD). The City of Wenatchee is responsible for the day to day operation and maintenance of the system which includes monitoring and maintaining the transmission line, pumps, meters, valves, chlorination equipment and telemetry equipment. Oversight of the system is exercised by an advisory committee composed of staff from each of the three partners, and includes the provision of budgetary, policy, and operational guidance.

2008 Accomplishments

- Developed brochures for Spill Response at the East Bank Aquifer as part of the ongoing Wellhead Protection Program.
- Continued work to transfer the combined water rights from the three Regional partners to the East Bank Aquifer
- Updated SCADA system and installed at new Public Services Center
- Installed Aquifer monitoring and tied it into the SCADA data management system.
- Delivered over 3.4 billion gallons of water meeting the water demands of the three Regional partners.

2009 Goals

- Construct a new hypochlorite disinfection system.
- Continue to maximize existing water rights through innovative conservation and irrigation system planning.
- Continue implementation of the Wellhead Protection Program to protect the East Bank Aquifer.
- Improve monitoring of the East Bank Aquifer.
- Administer preventative maintenance programs
- Meet water demands of the partners.
- Operate within State Department of Health regulations 24/7.
- Lower regional vault at 5th Street for the Riverside Drive Project

Expenditure Summary:

Fund Number							
Regional Water		415					
	2005	2006	2007	2008	2009	Variance 2009	
	Actual	Actual	Actual	Budget	Budget	Amount	Percent
Revenues							
Utility Sales	1,398,036	1,397,734	1,356,050	1,382,400	1,384,100	1,700	0.12%
Interest Revenue	25,707	55,479	73,797	58,000	44,400	(13,600)	-23.45%
Miscellaneous	231	245	209	0	0	0	#DIV/0!
Total Revenues	1,423,974	1,453,458	1,430,056	1,440,400	1,428,500	(11,900)	-0.83%
Expenditure by Object							
Operations and Maintenance	483,058	457,802	509,402	488,076	496,378	8,302	1.70%
Interest Expense & Related Charges	87,956	73,176	58,334	45,184	34,838	(10,346)	-22.90%
Amortization of Debt Discount and Exp	5,971	5,971	5,971	0	0	0	#DIV/0!
Total Expenditures	576,985	536,949	573,707	533,260	531,216	(2,044)	-0.38%
Revenues Over (Under Expenses)	846,989	916,509	856,349	907,140	897,284	(9,856)	-1.09%
Other Financing Sources (Uses)							
Capital Outlay	0	0	0	(146,000)	(1,455,000)	(1,309,000)	896.58%
Transfer In (Out)	0	0	0	195,000	(11,800)	(206,800)	-106.05%
Bond Principal Payment	(503,685)	(515,970)	(401,310)	(344,833)	(355,242)	(10,409)	3.02%
Total Other Activities	(503,685)	(515,970)	(401,310)	(295,833)	(1,822,042)	(1,526,209)	515.90%
Net Increase (Decrease) in Working Capital	343,304	400,539	455,039	611,307	(924,758)		
Beginning Working Capital				1,524,256	2,135,563		
Ending Working Capital				2,135,563	1,210,805		

Personnel Summary:

Position	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget
Public Works Director	0.05	0.05	0.05	0.15	0.15
Water Resource Manager	0.1	0.1	0.1	0	0
Regional Water Operators	1.25	1.25	1.25	1.25	1.25
Environmental Coordinator	0.05	0.05	0.05	0	0
Environmental Manager	0	0	0	0.05	0.1
Total Personnel	1.45	1.45	1.45	1.45	1.5

Solid Waste Fund
Public Works Department
Total 2009 Appropriations \$1,831,870
0 FTE

Description

Garbage services are provided to the citizens of Wenatchee through a contract with Waste Management, Inc. that runs through the year 2020. Based upon the provisions of the contract, Waste Management collects all solid waste throughout the City for both residential and commercial customers. While Waste Management bills and collects from commercial customers, the City bills and collects from residential customers. Included in the City bill is an administrative fee to recover the cost of maintenance and billing of accounts. The City is then in turn billed by Waste Management for their total residential collections.

As a part of the contract with Waste Management it was agreed that they will receive annual rate increases (applied to both residential and commercial collections) which are based upon the Department of Labor, Bureau of Labor Statistics CPI for All Urban Consumers, Class D Cities as compared from July to July. The City then determines how much of the rate increase to pass on to our residential customers based upon an assessment of estimated revenues and expenses as well as adequacy of fund reserves.

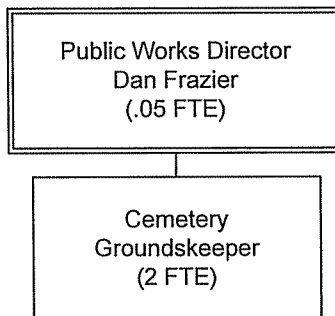
The following table provides a 10-year history of residential rates, residential rate increases, and rate increases paid to Waste Management:

Residential Garbage Collection Rates						
Year	Collection Fee	SWAC	Total Monthly Fee	Actual Increase Passed through to Residential Customers		Contractual Increase Paid to Waste Management
				\$	%	
2009	\$17.67	\$0.19	\$17.86	\$0.60	3.48%	3.0000%
2008	\$17.07	\$0.19	\$17.26	\$0.49	2.92%	2.3000%
2007	\$16.57	\$0.20	\$16.77	\$0.98	6.21%	3.0000%
2006	\$15.59	\$0.20	\$15.79	\$0.42	2.73%	2.8778%
2005	\$15.15	\$0.22	\$15.37	\$0.00	0.00%	2.6620%
2004	\$15.15	\$0.22	\$15.37	\$0.01	0.07%	1.5540%
2003	\$15.14	\$0.22	\$15.36	\$0.09	0.59%	0.6560%
2002	\$15.04	\$0.23	\$15.27	\$0.00	0.00%	0.9100%
2001	\$15.04	\$0.23	\$15.27	\$0.14	0.93%	0.0000%
2000	\$14.90	\$0.23	\$15.13	---	---	---
Total fee increase from 2000 to 2009 is				\$2.73		
Total percent increase from 2000 to 2009 is				18.04%		
Average annual rate increase from 2000 to 2009 is				1.86%		

Expenditure Summary:

Fund Number							
Solid Waste		420					
	2005	2006	2007	2008	2009	Variance 2009 vs. 2008 Budget	
	Actual	Actual	Actual	Budget	Budget	Amount	Percent
Revenues							
Utility Sales	1,503,383	1,588,718	1,755,707	1,776,200	1,849,300	73,100	4.12%
Interest Revenue	4,994	7,026	6,222	6,300	3,900	(2,400)	-38.10%
Miscellaneous	47	(387)	0	0	0	0	#DIV/0!
Total Revenues	1,508,424	1,595,357	1,761,929	1,782,500	1,853,200	70,700	3.97%
Expenditure by Object							
Operations and Maintenance	41,500	41,500	41,500	41,500	41,500	0	0.00%
Contract Operations	1,318,071	1,387,709	1,461,292	1,492,500	1,550,300	57,800	3.87%
General Administration	191,667	205,521	218,991	225,570	240,070	14,500	6.43%
Total Expenditures	1,551,238	1,634,730	1,721,783	1,759,570	1,831,870	72,300	4.11%
Revenues Over (Under Expenses)	(42,814)	(39,373)	40,146	22,930	21,330	(1,600)	-6.98%
Other Financing Sources (Uses)							
Capital Expenditure	0	0	0	0	0	0	N/A
Transfers In (Out)	0	0	0	0	0	0	N/A
Total Other Activities	0	0	0	0	0	0	N/A
Net Increase (Decrease) in Working Capital	(42,814)	(39,373)	40,146	22,930	21,330		
Beginning Working Capital				152,939	175,869		
Ending Working Capital				175,869	197,199		

Cemetery Fund
Public Works Department
Total 2009 Appropriations \$317,964
2.05 FTE

**Description**

This division of the Public Works Department has the responsibility for the administration, operation and maintenance of the City's cemetery. The scope of services offered by the Wenatchee Cemetery includes all burial services from full ground interment to cremation niche wall interment. The cemetery staff is responsible for the sales of burial plots and cremation niches, sales of burial containers and memorial markers, coordination of burial arrangements with local funeral directors, grave site opening and closing services and the grounds maintenance of the entire 34 Acre Site. There are currently over 18,500 interred at the cemetery and the facility has been averaging nearly 200 services per year.

The Cemetery Fund derives its revenue from three sources. The first source is the fees charged for services provided. The second source is provided by the sales of burial plots, cremation spaces, memorial markers and other products. The third source is an operating transfer from the General Fund. The Cemetery Endowment Fund receives a portion of the plot sales to help provide for the future maintenance costs of the Cemetery. The Cemetery Endowment Fund principal cannot be allocated for expenditures and the interest income is reinvested in the Endowment Care Fund.

The Cemetery Fund has experienced consecutive years where operating expenses have exceeded the combination of operating revenues and interest earnings from the Cemetery Endowment Fund. The cumulative losses over the years had placed the Cemetery Fund in the precarious financial position where soon it would have consumed all reserves and been in a position where it was unable to continue with operations. In order to circumvent this event the City Council has opted to transfer General Fund reserves to the Cemetery Fund in order to:

- Cover anticipated operating deficits, and
- Finance a number of capital improvements including the construction of a niche wall, development of a scattering garden and a cemetery expansion. It is hoped that these will help the Cemetery Fund to generate additional revenue and thus alleviate the General Fund of the need to subsidize future operations.

General Fund subsidies by year and amount are as follows:

2004	\$ 46,800 (actual)
2005	\$ 86,600 (actual)
2006	\$ 35,400 (actual)
2007	\$100,791 (actual)
2008	\$ 52,204 (budget)
2009	\$ 60,000 (budget)

2008 Accomplishments

- Continued upgrades to the irrigation system – as necessary
- Development of the Mausoleum Plaza and Niche Walls.
- Implemented new turf management practices including new herbicide and fertilizer programs and aeration program.
- Sold 92 lots including full plots, niches and crypts.
- Performed 227 services including full burial, cremation interment and crypt interment.
- Trimmed nearly 19,000 memorial markers and lot markers three times in 2008
- Repaired and leveled 50 memorial markers and nearly 100 graves.

2009 Goals

- Continued upgrades to the irrigation system – as necessary.
- Continue Cemetery facility planning.
- Completion of the plaza landscape surrounding the new columbarium walls.
- Construction of a simplified scattering garden.
- Complete landscaping improvements at Home-of-Peace
- Improvement of roadway and drainage in section O
- Increase marketing of Cemetery goods and services.

Expenditure Summary:

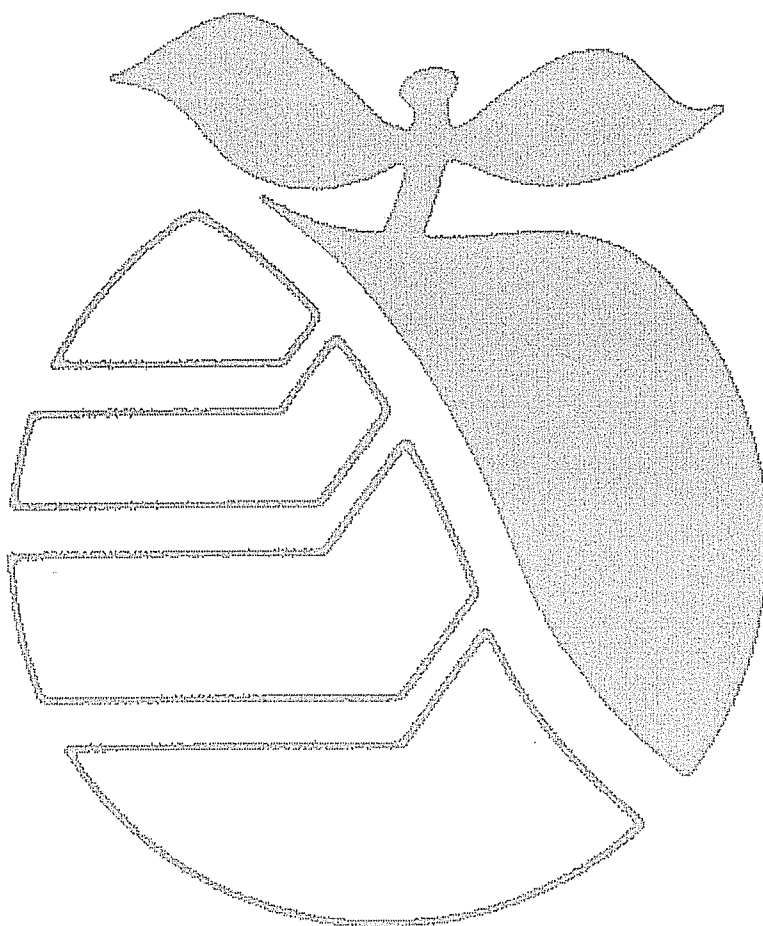
Fund Number	
Cemetery	430

	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget	Variance 2009 vs. 2008 Budget	
						Amount	Percent
Revenues							
Charges for Services	169,920	191,212	195,357	185,000	190,000	5,000	2.70%
Interest Revenue	2,396	5,910	5,966	5,700	2,100	(3,600)	-63.16%
Miscellaneous	5,520	1,086	3,769	300	300	0	0.00%
Total Revenues	177,836	198,208	205,093	191,000	192,400	1,400	0.73%
Expenditure by Object							
Operations and Maintenance	217,398	244,844	265,348	278,845	277,964	(881)	-0.32%
General Administration	0	0	0	0	0	0	#DIV/0!
Debt Service & Interest Expense	0	0	0	0	0	0	#DIV/0!
Total Expenditures	217,398	244,844	265,348	278,845	277,964	(881)	-0.32%
Revenues Over (Under Expenses)	(39,562)	(46,636)	(60,255)	(87,845)	(85,564)	2,281	-2.60%
Other Financing Sources (Uses)							
Transfers In - Fund 610	24,139	33,656	0	0	0	0	#DIV/0!
Transfers In - Fund 502	0	0	0	45,000		(45,000)	-100.00%
Transfers In - Fund 001	86,600	35,400	100,791	52,204	60,000	7,796	14.93%
Capital Outlay	(32,838)	0	(19,306)	(5,000)	(40,000)	(35,000)	700.00%
Total Other Activities	77,901	69,056	81,485	92,204	20,000	(72,204)	-78.31%
Net Increase (Decrease) in Working Capital	38,339	22,420	21,230	4,359	(65,564)		
Beginning Working Capital				105,865	110,224		
Ending Working Capital				110,224	44,660		

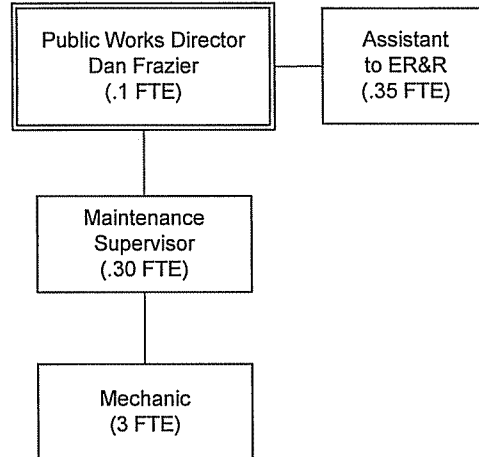
Personnel Summary:

Position	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget
Public Works Director	0	0	0	0.05	0.05
Facility Manager	0.05	0.05	0.05	0	0
Groundskeeper	2	2	2	2	2
Total Personnel	2.05	2.05	2.05	2.05	2.05

Part 12. Internal Service Funds



Equipment Operations & Maintenance Fund
Public Works Department
Total 2009 Appropriations \$912,791
3.75 FTE

**Description**

This division of the Public Works Department has the responsibility for the initial setup, preventive and ordinary maintenance and repair of the entire City fleet of vehicles and equipment. Vehicle and equipment maintenance costs were up in 2008 as the City looks to extended vehicle and equipment replacement schedules to reduce yearly capital costs. The fleet budget was severely affected again in 2008 by the drastic increase in fuel prices during the summer. 2009 appropriations have increased for fuel and oil due to rising petroleum prices although this trend reversed in the last quarter of 2008. Increased appropriations for training were also included in the 2008 budget to allow the technicians to keep up to date with the changes in automotive technology.

2008 Accomplishments

The fleet maintenance division continues to offer a value added service to all City departments by setting up all new vehicles with the specialized tools and equipment necessary for each vehicle to function effectively. With upgrades in technology the process of setting up new vehicles for the emergency services departments (Police and Fire) has become increasingly complex. The fleet department accomplishes these setups at a very competitive cost

- Purchased and set up fourteen new vehicles
- Installed new engine in grader (7-15)
- Selected and hired new Mechanic
- Purchased and Transported new Excavator
- Prepared entire fleet for spring operations
- Prep surplus vehicles for Auction
- Completed pumper truck testing for fire apparatus
- Completed aerial inspections on Fire Apparatus
- One mechanic attended fire pump apparatus testing training
- Relocated shop to new Public Services Center
- Provided ongoing vehicle maintenance for entire city fleet
- Converted patrol car to K-9 vehicle
- Prepared fleet for winter operations
- Organizing and setting up new shop equipment

2009 Goals

In 2009 the fleet division will strive to maintain a high level of service while endeavoring to increase efficiency. We will review the preventive maintenance functions and repair capabilities of the maintenance shop in an attempt to offer a more diverse range of services while decreasing the use of

high cost outsourcing. We will also assess if opportunities exist to provide more cost effective outsourced services.

- Continue to set up shop for efficient operations
- Start spring equipment set up
- Research and purchase new vehicles and equipment included in 2009 budget
- Springize winter equipment (clean & seal sanders)
- Winterize summer equipment (sweepers and water truck)
- Tech Training (Multiplex heavy duty electrical systems ,ITS)
- Aerial equipment inspections (Fire & Streets)
- Fire apparatus testing (pump testing)
- Set up of new equipment
- Prep surplus equipment for auction
- Requested projects (other department needs ,fabrication)
- Ongoing maintenance of city equipment and support of all depts.
- Continuous budget monitoring

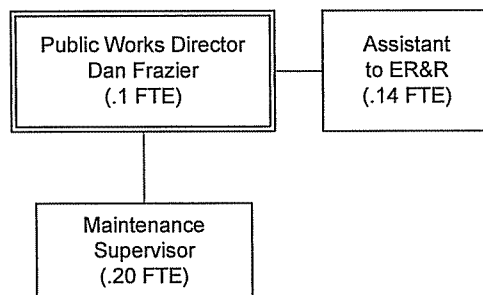
Expenditure Summary:

Fund Number							
City Services - Equipment O & M		501					
	2005	2006	2007	2008	2009	Variance 2009 vs. 2008 Budget	
	Actual	Actual	Actual	Budget	Budget	Amount	Percent
Revenues							
Charges for Services	659,736	706,419	779,084	768,424	875,624	107,200	13.95%
Fire Truck Replacement	89,614	90,941	95,140	96,340	0	(96,340)	-100.00%
Interest Revenue	18,737	33,429	41,761	36,500	22,800	(13,700)	-37.53%
Miscellaneous	2,087	994	1,143	0	0	0	#DIV/0!
Total Revenues	770,174	831,783	917,128	901,264	898,424	(2,840)	-0.32%
Expenditure by Object							
Operations and Maintenance	666,294	708,160	740,478	905,828	902,791	(3,037)	-0.34%
Interest Expense & Related Charges	2,053	0	0	0	0	0	#DIV/0!
Total Expenditures	668,347	708,160	740,478	905,828	902,791	(3,037)	-0.34%
Revenues Over (Under Expenses)	101,827	123,623	176,650	(4,564)	(4,367)	197	-4.32%
Other Financing Sources (Uses)							
Capital Outlay	0	0	0	(12,000)	(10,000)	2,000	-16.67%
Bond Principal Retirement	(40,000)	0	0	0	0	0	#DIV/0!
Transfers In (Out)	0	0	0	(12,500)	0	12,500	-100.00%
Total Other Activities	(40,000)	0	0	(24,500)	(10,000)	14,500	-59.18%
Net Increase (Decrease) in Working Capital	61,827	123,623	176,650	(29,064)	(14,367)		
Beginning Working Capital				332,342	303,278		
Ending Working Capital				303,278	288,911		

Personnel Summary:

Position	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget
Public Works Director	0.05	0.05	0.05	0.1	0.1
Maintenance Manager	0.2	0.2	0.2	0	0
City Services Supervisor	0	0	0.3	0.3	0.3
Assistant to Equip. Rental & Replacmt	0.45	0.25	0.25	0.35	0.35
Mechanic	3	3	3	3	3
Total Personnel	3.7	3.5	3.8	3.75	3.75

Equipment Replacement Fund
Public Works Department
Total 2009 Appropriations \$424,965
.44 FTE



Description

The Equipment Rental & Replacement fund is the City's revolving fund which is designed to provide the capital funds necessary to purchase new vehicles and equipment at predetermined life cycles. This fund operates by charging each City department a monthly rental rate for the equipment and vehicles that they use. The fee is structured on the estimated life of the vehicle or equipment and its replacement cost. This method of asset management allows all of the City departments to budget vehicle and equipment costs as a reoccurring expense rather than intermittent capital expenses that may be subject to fluctuations in reoccurring revenue.

The ER&R Staff constructs purchasing specifications and conditions to ensure that all vehicle and equipment purchases meet with the standards of the City and the particular department for which the vehicle or equipment is being purchased. ER&R staff also ensures that all vehicle and equipment specifications are met for the most competitive price available.

2008 Accomplishments and 2009 Goals

In 2008 the ER&R fund continued to maintain the asset management system and evaluate vehicle and equipment needs. In 2008 the ER&R fund will continue to analyze the capital and life-cycle costs of existing and new vehicles and make recommendations regarding service life and replacement equipment. ER&R will also strive to keep the capital costs and rental rates low by conducting a financial analysis of the asset management system and "in service" equipment costs.

In developing the 2009 budget, it was decided to extend the life of most of the City's vehicles and pieces of equipment by one year and to grant a "Rate Holiday" for those vehicles. This effectively reduced the revenue to the revolving fund by approximately \$300,000 in 2009. This will affect the 25 year replacement plan for at least the next 10 years.

2009 was another interesting year in that many of the pieces of equipment that were scheduled for replacement could not be replaced due to the continuing increases in costs of heavy equipment. These increases have been attributed to large increases in the price of steel and fuel. Rental rates and expected life cycles for those items are being amended to reflect this increase in replacement costs. The ER&R staff will be challenged again this year to procure the scheduled replacement vehicles and pieces of equipment that meet the needs of the users of the equipment at the most competitive cost.

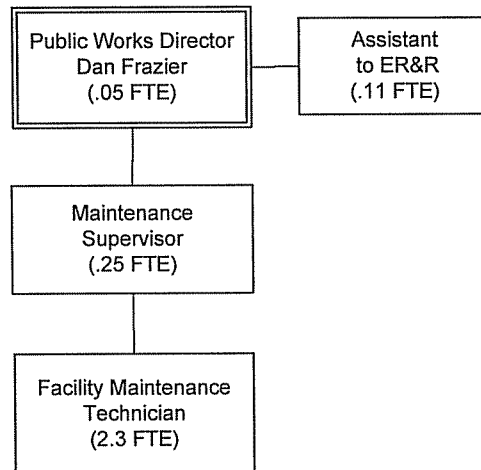
Expenditure Summary:

Fund Number							
City Services - Equip. Replacement		503					
	2005	2006	2007	2008	2009	Variance 2009 vs. 2008 Budget	
	Actual	Actual	Actual	Budget	Budget	Amount	Percent
Revenues							
Charges for Services	339,149	377,779	424,155	496,244	236,130	(260,114)	-52.42%
Interest Revenue	36,447	67,340	66,049	65,000	25,200	(39,800)	-61.23%
Miscellaneous	17,372	17,409	20,338	0	0	0	N/A
Total Revenues	392,968	462,528	510,542	561,244	261,330	(299,914)	-53.44%
Expenditure by Object							
Operations and Maintenance	31,093	39,538	51,432	36,300	39,039	2,739	7.55%
Miscellaneous	0	0	0	0	0	0	N/A
Total Expenditures	31,093	39,538	51,432	36,300	39,039	2,739	7.55%
Revenues Over (Under Expenses)	361,875	422,990	459,111	524,944	222,291	(302,653)	-57.65%
Other Financing Sources (Uses)							
Capital Outlay	(232,469)	(394,661)	(824,332)	(900,784)	(385,926)	514,858	-57.16%
Transfers In	0	0	333,852	191,640	10,000		
Transfers Out	0	0	(99,180)	(48,426)	0	48,426	N/A
Total Other Activities	(232,469)	(394,661)	(589,660)	(757,570)	(375,926)	563,284	-74.35%
Net Increase (Decrease) in Working Capital	129,406	28,329	(130,550)	(232,626)	(153,635)		
Beginning Working Capital				1,102,772	870,146		
Ending Working Capital				870,146	716,511		

Personnel Summary:

Position	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget
Public Works Director	0.05	0.05	0.05	0.1	0.1
Maintenance Manager	0.1	0.1	0.1	0	0
City Services Supervisor	0	0	0.2	0.2	0.2
Assistant to Equip. Rental & Replacmt	0.05	0.1	0.1	0.14	0.14
Total Personnel	0.2	0.25	0.45	0.44	0.44

Facility Maintenance Fund
Public Works Department
Total 2009 Appropriations \$333,718
2.71 FTE

**Description**

The Facility Maintenance division is responsible for the building maintenance for all of the City's facilities. This includes City Hall, the Police Station, the Information Services/Facility Maint. building, the Public Services Center Complex, the Museum Complex, the Community Center, the two Fire Stations, the City Pool and Bathhouse and some of the work at the buildings in City parks. This fund operates by charging each City department a fee for facility maintenance and upkeep. The fee is based upon the previous year's expenditures as well as any program enhancements included in the new operating budget.

The facility maintenance crew also provides tenant improvement services for City departments such as remodels of existing spaces, or expansions to accommodate departmental growth.

2008 Accomplishments

- Police Department boiler rebuild
- A/V upgrade at City Hall
- Restroom upgrade at City Hall
- Restroom remodel at Carnegie Bldg.
- City pool leak repair
- Museum skywalk outside sheeting
- Old Police Dept roof repair
- Helped with demolition of houses on Islandview
- Heated sidewalk at City Hall
- Emergency generator and pad at I/S
- Closure of Ice Arena
- Convention Center loading dock
- Fire Station #41 roof repair
- Museum roof replacement
- HVAC I/S (Kyle's Office)
- Move P/W
- Council Chambers remodel
- Plumbing upgrade at City Hall
- General Maintenance(City Bldgs)
- Move to new PSC
- Shutdown old PW
- Install lock cores at new (PSC)
- New PSC system training
- Power to servers at I/S
- Move old servers at I/S
- Fire Station #41 electrical
- Bedroom remodel Station #41
- Bathroom remodel Station #41
- Emergency lighting Station #41
- HVAC Installation Captains room Station #41
- Replaced main pump at pool - twice
- Install new lights in pit at pool
- Mold Issue Carnegie Bldg.
- Ongoing graffiti Issues
- Grease trap at Headstart

2009 Goals

- Install card access lock at IS
- Upstairs restroom at museum
- HVAC at Museum
- Fuel fill system improvements for Police Station generator
- Improve fence at pool to comply with new safety requirements
- New shower towers at pool
- Apply graffiti sealant at selected buildings
- Pennsylvania Park restroom rehab
- Replace tower window at Fire Station #41
- Replace boiler line at Fire Station #41
- Install new bay lights at Fire Station #41
- Book shelves in Library at PSC
- Framing wall at Carnegie
- Grease Trap install for Apple Blossom
- Lighting flagpole at City Hall
- Install panic alarm system at City Hall
- Counter tops at City Hall Council Chambers
- Door trim at City Hall
- Reset lock system at PSC(cores and keys)
- Training on HVAC at PSC
- Training on alarm system at PSC
- Salvage equipment from old PW
- Balance electrical in I/S server room
- HVAC upgrade at City Hall
- Ceiling grid upgrade City Hall
- Upgrade lighting at City Hall
- Upgrade electrical at Museum
- Ongoing graffiti removal
- Routine building maintenance

Expenditure Summary:

Fund Number	
Facility Maintenance	504

	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget	Variance 2009 vs. 2008 Budget	
						Amount	Percent
Revenues							
Charges for Services	263,256	284,400	309,817	330,196	331,481	1,285	0.39%
Interest Revenue	5,981	9,945	11,137	2,500	5,400	2,900	116.00%
Child Care Center Rent	6,798	6,275	6,276	6,300	6,300		
Miscellaneous	348	418	391	0	0	0	N/A
Total Revenues	276,383	301,038	327,621	338,996	343,181	4,185	1.23%
Expenditure by Object							
Operations and Maintenance	259,374	287,992	319,710	327,853	333,718	5,865	1.79%
General Administration	0	0	0	0	0	0	N/A
Total Expenditures	259,374	287,992	319,710	327,853	333,718	5,865	1.79%
Revenues Over (Under Expenses)	17,009	13,046	7,911	11,143	9,463	(1,680)	-15.08%
Other Financing Sources (Uses)							
Capital Outlay	0	0	(134,159)	(100,000)	0	100,000	-100.00%
Transfers in	0	0	100,000	0	0	0	#DIV/0!
Transfers out	0	0	0	(13,800)	0	13,800	-100.00%
Total Other Activities	0	0	(34,159)	(113,800)	0	113,800	-100.00%
Net Increase (Decrease) in							
Working Capital	17,009	13,046	(26,248)	(102,657)	9,463		
Beginning Working Capital				142,892	40,235		
Ending Working Capital				40,235	49,698		

Personnel Summary:

	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget
Public Works Director	0.05	0.05	0.05	0.05	0.05
City Services Manager	0.15	0.15	0.15	0	0
City Services Supervisor	0	0	0.25	0.25	0.25
Facility Maintenance Technician	2.3	2.3	2.3	2.3	2.3
Assistant to Equip. Rental & Replacmt	0	0.075	0.075	0.11	0.11
Total Personnel	2.5	2.575	2.825	2.71	2.71

<p style="text-align: center;">Self Insurance Fund Total 2009 Appropriations \$714,700 0 FTE</p>

The Self-Insurance Fund provides property/casualty insurance that covers all City assets and programs. This fund has also previously accounted for the provision of medical coverage for all City employees and all police officers and firefighters hired prior to October 1, 1977 (see related discussions in Part 8 of this budget document for the LEOFF 1 – Long-Term Care Fund and the LEOFF 1 – Health Care Fund).

Property & Casualty Coverage

The City of Wenatchee is exposed to risks of loss related to a number of sources including tort; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City protects itself against potential loss by employing a two-tier risk management approach. First, the City shares risk of losses through membership in the Association of Washington Cities Risk Management Service Agency (AWC RMSA). Second, the City reserves the right to utilize the provisions of RCW 35A.31.060-070 to fund catastrophic or uninsured losses. This State statute allows cities to levy a non-voted property tax increase to pay for uninsured claims.

Authorization for the creation of the AWC RMSA is provided by Chapter 48.62 RCW which authorizes the governing body of any one or more government entities to form together into or join a pool or organization for the joint purchasing of insurance, and/or joint self-insuring, and/or joint hiring or contracting for risk management services to the same extent that they may individually purchase insurance, self-insure, or hire or contract for risk management services. An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The AWC RMSA was formed on January 1, 1989 when 32 municipalities in the State of Washington joined together by signing an Interlocal Government Agreement to pool their self-insured losses and jointly purchase insurance and administrative services. Currently, 84 municipalities participate in the pool (as of December 31, 2007). The City of Wenatchee joined the AWC RMSA May 1, 1993.

The AWC RMSA allows members to establish a program of joint insurance and provides risk management services to all members. All coverages are on an occurrence basis. The City has elected to retain a \$25,000 indemnity deductible on all liability coverages. The AWC RMSA provides all risk property, comprehensive crime, general liability, automobile liability, police liability, public officials' liability, employee fidelity and faithful performance, and boiler and machinery insurance coverage. Boiler and machinery is included with the property reinsurance carrier, as of June 1, 2005, and employee fidelity coverage is a stand-alone policy that the AWC RMSA arranges for its members. The AWC RMSA also allows members to group purchase airport liability coverage.

Members pay an annual assessment to the AWC RMSA. The AWC RMSA is responsible for payment of all covered causes of loss against the jurisdiction above the stated retention. AWC RMSA, itself, pays out of its own funds all claims up to \$400,000 for liability and \$25,000 for property, and thereafter purchases excess liability insurance through NLC Mutual Insurance Company, up to \$1 million, and CV Starr, from \$1 million to \$5 million, with an additional \$5 million available for an additional cost, for a total of \$10 million of coverage. The City of Wenatchee has opted for the \$10 million coverage. The excess property coverage is purchased through Affiliated FM, using the Pool's broker, Willis of Seattle, Inc. Since the AWC RMSA is a cooperative program, the members of the AWC RMSA are jointly liable.

Members contract to remain in the pool a minimum of one year and must give one-year notice before terminating participation. The Interlocal Government Agreement is renewed automatically each year. Even after termination, a member is still responsible for contributions to the Pool for any unresolved, unreported, and in-process claims for the period they were a signatory to the Interlocal Governmental Agreement. The Pool is governed by a board of directors serving ex-officio as the AWC Board of Directors.

The AWC RMSA establishes a loss fund for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. The City has also established a liability for outstanding property/casualty claims as of December 31, 2007. The specific financial of the AWC RMSA can be seen in the Annual Report on file in the Finance Department of the City of Wenatchee.

Revenues for this portion of the fund are obtained from monthly assessments against many City funds and departments. Expenses include the annual premium payment to AWC RMSA as well as money paid for the occasional claims settlements and other miscellaneous services.

Medical, Dental & Vision Coverage:

Employee Coverage

During the period July 1, 1991 through June 30, 2004, the City of Wenatchee was self-insured for the coverage of medical insurance for all employees. Under this arrangement the City plan provided medical, vision and dental coverage subject to deductibles and co-pays for various services. Stop-loss insurance was purchased to cover individual claims exceeding \$100,000 and plan claims exceeding 125% of the actuarially estimated medical claims paid in any plan year. Premium payments for this plan were shared by the City and employees and deposited into, and all medical expenses were paid from the Self-Insurance Fund.

Beginning July 1, 2004, the City converted its medical insurance from a self-funded plan to a fully insured indemnity plan offered by the Association of Washington Cities Employee Benefits Trust. As a consequence medical premiums were no longer recorded as revenue to this fund but instead sent directly to AWC. By the same token, medical expenses are now paid directly by AWC and not run through this fund at all.

In the first fiscal year following the City's conversion to AWC coverage (that is, from July 1, 2004 through June 30, 2005) this fund was responsible for the "run-out" payment of all claims costs incurred prior to July 1, 2004. At the expiration of the run-out period we determined that enough excess fund reserves existed to provide a one-month "premium holiday" where fund reserves paid the City's and employee's medical insurance premium at a total cost of \$146,934.

LEOFF 1 Actively Employed and Retiree Coverage

As a result of actions taken by the Washington State Legislature (RCWs 41.16 and 41.18), all cities, counties and fire districts in the State are required to pay for long-term care and health care costs incurred by police officers and/or firefighters hired prior to October 1, 1977.

- The costs related to the provision of long-term care coverage have been financed through the LEOFF 1 – Long-term Care Fund since calendar year 2000 (a Special Revenue Fund reported in Part 8 of this budget document).
- The costs related to the provision of health care coverage were also paid from the Self-Insurance Fund (financed from annual General Fund operating transfers) through 2005. Beginning in 2005 the City created the LEOFF 1 – Health Insurance Fund to account for these costs (a Special Revenue Fund reported in Part 8 of this budget document).

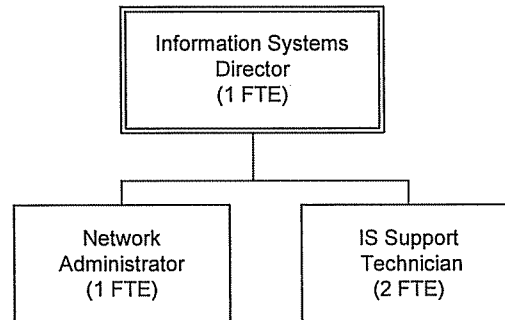
At the conclusion of 2005 we determined excess fund reserves of \$362,369 existed in the Self-Insurance Fund that were dedicated to the provision of long-term and health care for the LEOFF 1 active and retired individuals. These were transferred out of this fund as follows:

- \$205,951 was transferred to the LEOFF 1- Long-term Care Fund. This figure represents the reserves that remained prior to July 1, 2004, which were generated during the period in which we were self-insured.
- \$156,418 was transferred to the LEOFF 1 – Health Insurance Fund, which represents the reserves that were generated between July 1, 2004 and December 31, 2005.

Expenditure Summary:

Fund Number							
Self-Insurance		502					
	2005	2006	2007	2008	2009	Variance 2009	
	Actual	Actual	Actual	Budget	Budget	vs. 2008 Budget	
						Amount	Percent
Revenues							
Property/Casualty	1,102,949	1,080,901	1,089,287	1,074,200	1,068,200	(6,000)	-0.56%
Medical/Dental/Vision	637,411	0	0	0	0	0	#DIV/0!
Interest Income	49,995	83,711	118,275	105,000	65,000	(40,000)	-38.10%
Total Revenues	1,790,355	1,164,612	1,207,562	1,179,200	1,133,200	(46,000)	-3.90%
Expenditure by Object							
Property/Casualty	714,843	604,584	737,926	711,800	714,700	2,900	0.41%
Medical/Dental/Vision	567,231	0	0	0	0	0	#DIV/0!
Transfer out - #110	205,951	0	0	0	0	0	#DIV/0!
Transfers out - #116	156,418	0	0	0	0	0	#DIV/0!
Transfer out - #314	0	0	0	855,000	0	(855,000)	-100.00%
Transfer out - #401	0	0	0	405,000	0	(405,000)	-100.00%
Transfer out - #415	0	0	0	195,000	0	(195,000)	-100.00%
Transfer out - #430	0	0	0	45,000	0	(45,000)	-100.00%
Wellness	0	0	0	0	0	0	#DIV/0!
Total Expenditures	1,644,443	604,584	737,926	2,211,800	714,700	(1,497,100)	-67.69%
Revenues Over (Under Expenses)	145,912	560,028	469,636	(1,032,600)	418,500	1,451,100	-140.53%
Beginning Working Capital	1,341,482	1,487,394	2,047,422	2,517,058	1,484,458		
Ending Working Capital	1,487,394	2,047,422	2,517,058	1,484,458	1,902,958		

Information Technology Fund
Total 2009 Appropriations \$917,281
4 FTE

**Description**

The Information Systems department's mission is to proactively provide cost effective, reliable, standardized, and current information technology tools, systems, and services including customer support to the departments of the City of Wenatchee. The Information Systems department designs, maintains, and monitors the City's data network. The department orders, delivers, repairs, and maintains all desktop and handheld personal computers. They insure the integrity and security of data operations, and oversee and manage the City's data center. Primary computer applications, such as financial, payroll, utilities, permitting, and public safety and related database systems, are maintained and supported by the Information Systems department. The department also manages the City's Internet web site.

2008 Accomplishments

- Installed dedicated PUD fiber between IS and new Public Services Center
- Installed fiber VLAN between IS and Waste Water Treatment Plant
- Installed telephone system at the new Public Services Center
- Setup computing environment in new Public Services Center for departments
- Upgraded PCs in Community Development, Finance, Human Resources and Mayor's Office
- Upgraded and manage presentation environment in the City Council chambers
- Upgraded Public Access TV equipment
- Installed generator backup for Data Center
- Re-cabled wiring infrastructure in Data Center
- Installed storage area network in Data Center
- Installed server virtualization software
- Installed work order software for City Services department
- Installed Wireless Access Points in Police, Museum and Public Services Center
- Upgraded to Microsoft Office Professional 2007
- Replaced Server backup software with Atempo Time Navigator

2009 Goals

- Select and install bar code inventory scanning software
- Upgrade computer wiring infrastructure at City Hall
- Create a city intranet using Microsoft SharePoint
- Select and install an email archiving software solution
- Update computer use policy
- Upgrade Microsoft SQL Server
- Upgrade Microsoft Exchange Server

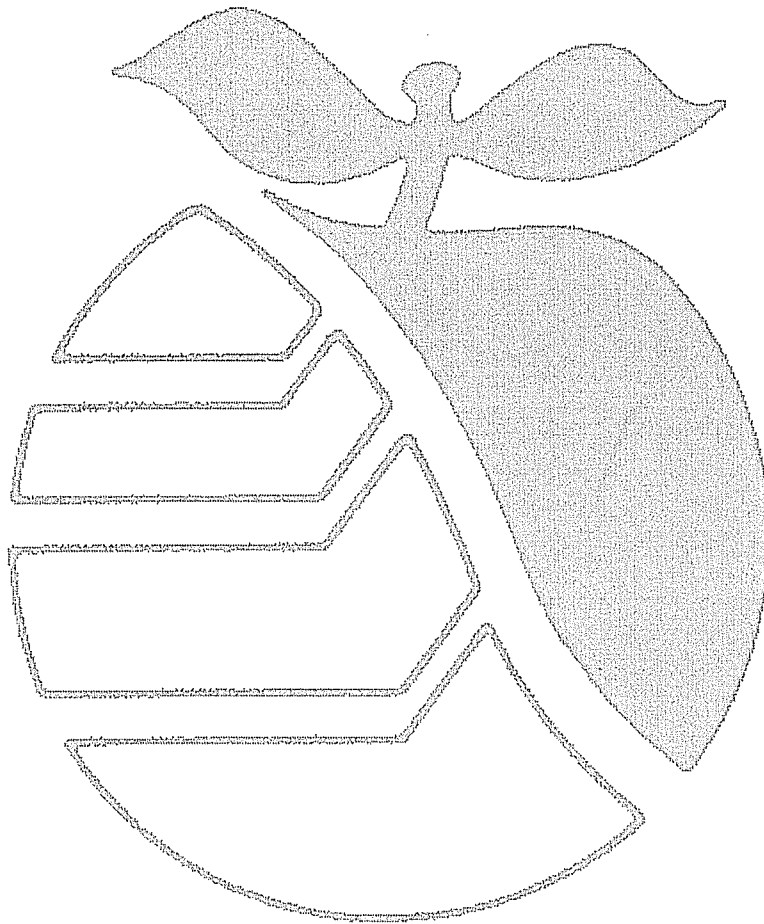
Expenditure Summary:

Fund Number							
Data Processing		505					
	2005	2006	2007	2008	2009	Variance 2009 vs. 2008 Budget	
	Actual	Actual	Actual	Budget	Budget	Amount	Percent
Revenues							
Charges for Services	551,208	712,660	755,640	833,560	875,900	42,340	5.08%
Equipment Addition Reimbursements	0	0	105,468	0	0	0	N/A
Interest Revenue	7,042	15,744	15,580	15,000	9,500	(5,500)	-36.67%
Cable TV Capital Contributions	0	10,440	1,118	0	1,500	1,500	#DIV/0!
Miscellaneous	337	4,271	726	0	0	0	N/A
Total Revenues	558,587	743,115	878,532	848,560	886,900	38,340	4.52%
Expenditure by Object							
Operations and Maintenance	412,272	776,061	802,194	905,947	892,281	(13,666)	-1.51%
General Administration	0	0	0	0	0	0	N/A
Total Expenditures	412,272	776,061	802,194	905,947	892,281	(13,666)	-1.51%
Revenues Over (Under Expenses)	146,315	(32,946)	76,338	(57,387)	(5,381)	52,006	-90.62%
Other Financing Sources (Uses)							
Capital Outlay	(29,100)	(106,291)	(214,158)	(211,500)	(25,000)	186,500	-88.18%
Transfer in	0	105,362	205,110	110,185	10,700	(99,485)	N/A
Total Other Activities	(29,100)	(929)	(9,048)	(101,315)	(14,300)	87,015	-85.89%
Net Increase (Decrease) in Working Capital	117,215	(33,875)	67,290	(158,702)	(19,681)		
Beginning Working Capital				284,230	125,528		
Ending Working Capital				125,528	105,847		

Personnel Summary:

Position	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget
Information Systems Director	0	1	1	1	1
Data Processing Coordinator	1	1	1	1	1
Data Processing Technician	1.5	2	2	2	2
Total Personnel	2.5	4	4	4	4

Part 13. Fiduciary Funds



Cemetery Endowment Fund
Total 2009 Appropriations \$0
0 FTE

Description

This fund is used to account for trust amounts received through sales of graves, crypts and niches in the Cemetery Enterprise Fund. At the point the existing City cemetery is at full capacity the interest earnings on the corpus of this fund will be used for the operation and maintenance of that facility, however the corpus may not be spent. Historically the interest earnings of this fund had been transferred to the Cemetery Enterprise Fund to offset operational costs but beginning with the 2007 Budget we elected to begin retaining all such earnings in the Endowment Fund in order to build a stronger reserve for future needs.

This fund is reported as a Permanent Fund for financial reporting purposes.

		Fund Number					
Cemetery Endowment		610					
	2005	2006	2007	2008	2009	Variance 2009 vs. 2008 Budget	
	Actual	Actual	Actual	Budget	Budget	Amount	Percent
<u>Revenues</u>							
Proceeds from Cemetery	11,311	11,909	11,896	12,500	12,000	(500)	-4.00%
Interest Income	24,746	33,663	36,051	30,500	16,000	(14,500)	-47.54%
Miscellaneous	0	0	0	0	0	0	N/A
Total Revenues	36,057	45,572	47,947	43,000	28,000	(15,000)	-34.88%
<u>Expenses</u>							
Transfer In (Out)	24,139	33,656	0	0	0	0	#DIV/0!
Total Expenses	24,139	33,656	0	0	0	0	#DIV/0!
Revenues over (under) expenses	11,918	11,916	47,947	43,000	28,000	(15,000)	-34.88%
Beginning Working Capital	658,165	670,083	681,999	729,946	772,946	43,000	5.89%
Ending Working Capital	670,083	681,999	729,946	772,946	800,946	28,000	3.62%

<p style="text-align: center;">Firemen's Pension Fund Total 2009 Appropriations \$510,200 0 FTE</p>
--

Description

RCW 3.24.380 established the authority to create a Firemen's Pension Fund to meet the requirement of Washington State Law to provide pension and related benefits to fire department employees. The system is a closed pension system and membership is limited to firemen hired prior to March 1, 1970.

As of December 31, 2008, there were a total of 27 retirees or beneficiaries eligible for retirement benefits. Of these 27, the State of Washington pays the pension benefits of 6, the City pays the pension benefits of 4, and both the State and the City share the pension benefit costs of the remaining 17. Because the Firemen's Pension Fund is a closed group, no new members are permitted.

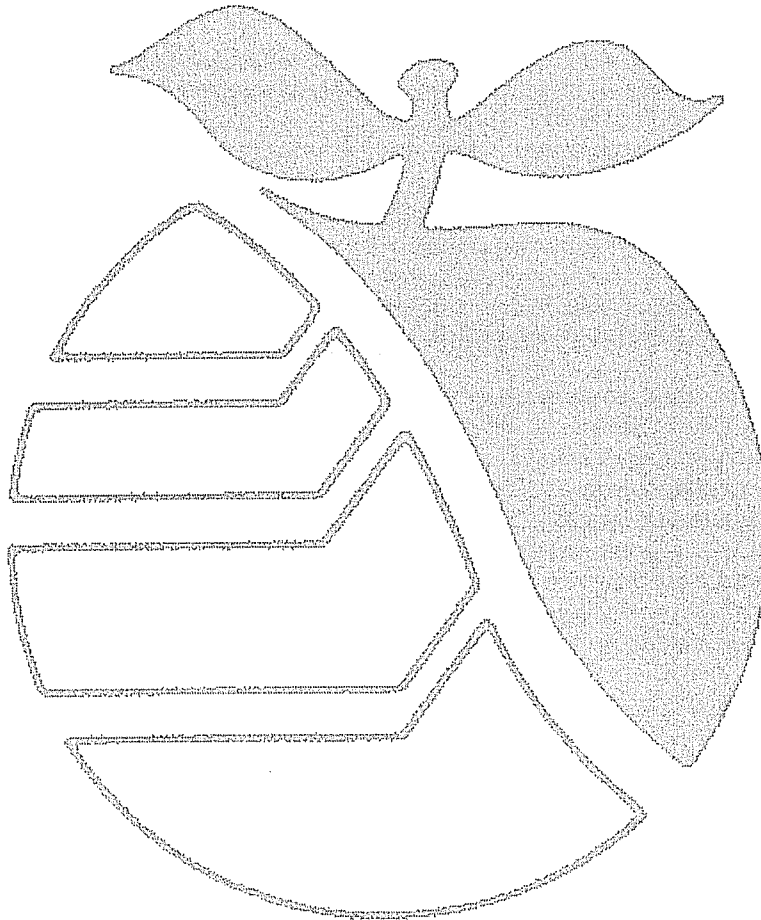
During 2008 an actuarial study of the system was conducted by Milliman, Inc. to determine the City's pension obligation as of January 1, 2008. At that time the net present value of the pension obligation was computed at \$1,854,000, but because actual net assets on hand on the same date were \$3,460,370 it was determined the system was overfunded by \$1,606,370. Consequently the City elected to discontinue providing any additional funding to the system (which has historically included 8-9% of annual property tax collections). Additionally, during the development of the 2009 Budget the City decided to transfer \$358,000 of the \$1,606,370 excess funds to the General Fund to pay for LEOFF 1 retired firefighter medical and long-term care costs. A similar transfer will occur annually until the excess funds are fully expended, which we estimate to be four full years and a partial fifth (2009 through 2013).

The major revenue source of this fund consists of:

- The State of Washington collects a two percent tax on premiums of all fire insurance policies written. Some of this money is distributed to cities and fire districts that had a pension system for firemen before the state-wide LEOFF (law enforcement officers and firefighters) system was initiated on March 1, 1970 (see Long-Term Care – LEOFF 1 discussion in Part 8 of this document for related discussion). A particular city's share of these taxes is a function of the number of paid firefighters in the city as a percent of total paid firefighters in all the cities and fire districts that qualify to receive this tax. The City of Wenatchee's estimated share in 2009 is \$28,000.

Fund Number							
Firemen's Pension		611					
	2005	2006	2007	2008	2009	Variance 2009 vs. 2008 Budget	
	Actual	Actual	Actual	Budget	Budget	Amount	Percent
Revenues							
Property Taxes	402,046	425,557	451,541	0	0	0	#DIV/0!
Fire Insurance Premiums	23,224	25,199	27,284	25,300	28,000	2,700	10.67%
Interest Income	74,023	130,842	161,320	155,000	80,800	(74,200)	-47.87%
Total Revenues	499,293	581,598	640,145	180,300	108,800	(71,500)	-39.66%
Expenses							
Retirement Benefits	143,864	115,122	154,457	144,000	147,400	3,400	2.36%
Medical Benefits	0	0	0	0	0	0	#DIV/0!
General Administration	450	1,535	20	4,800	4,800	0	0.00%
Total Expenses	144,314	116,657	154,477	148,800	152,200	3,400	2.28%
Revenues over (under) expenses	354,979	464,941	485,668	31,500	(43,400)	(74,900)	-237.78%
Other Financing Sources (Uses)							
Transfer out - #001	0	0	0	0	(358,000)	(358,000)	#DIV/0!
Net Increase (Decrease) in Fund Balance	354,979	464,941	485,668	31,500	(401,400)	(432,900)	-1374.29%
Beginning Working Capital	2,154,782	2,509,761	2,974,702	3,460,370	3,491,870	31,500	0.91%
Ending Working Capital	2,509,761	2,974,702	3,460,370	3,491,870	3,090,470	(401,400)	-11.50%

Part 14. Budget Ordinance



ORDINANCE NO. 2008-37

AN ORDINANCE, adopting the Final Budget for the City of Wenatchee for the year 2009.

WHEREAS, the Mayor of the City of Wenatchee, Washington, completed and placed on file with the City Clerk a proposed budget and estimate of the amount of monies required to meet the public expense, bond retirement and interest, reserve funds and expenses of government of said City for the fiscal year ending December 31, 2009, and a notice was published that the City Council would meet on the 11th day of December, 2008, at the hour of 5:15 p.m., at the Council Chambers in the City Hall of said City for the purpose of making and presenting a budget for said fiscal year and giving taxpayers within the limits of said City an opportunity to be heard upon said budget; and

WHEREAS, the said City Council did meet at said time and place and did then consider the matter of said proposed budget; and

WHEREAS, the said proposed budget does not exceed the lawful limit of taxation allowed by law to be levied on the property within the City of Wenatchee for the purposes set forth in said budget being all necessary to carry on the government of said City for said year and being sufficient to meet the various needs of said City during said period.

THE CITY COUNCIL OF THE CITY OF WENATCHEE DO
ORDAIN as follows:

SECTION I

The budget for the City of Wenatchee, Washington, for the year 2009 is hereby adopted at the fund level in its final form and content as set forth in the document entitled "2009 City Budget", copies of which are on file in the Office of the Clerk.

SECTION II

Estimated resources, including fund balances or working capital for each separate fund of the City of Wenatchee, and aggregate totals for all such funds combined, for the year 2009 are set forth in summary form below, and are hereby appropriated for expenditure at the fund level during the year 2009 as found in Exhibit "A".

SECTION III

The City Clerk is directed to transmit a certified copy of the budget hereby adopted to the Division of Municipal Corporation in the Office of the State Auditor and to the Association of Washington Cities.

**PASSED BY THE CITY COUNCIL OF THE CITY OF
WENATCHEE** at a regular meeting thereof this 11th day of December, 2008.

CITY OF WENATCHEE, a Municipal
Corporation


By: _____

DENNIS JOHNSON, Mayor

ATTEST:

By: 
VICKI REISTER, City Clerk

APPROVED:

By: 
STEVE D. SMITH, City Attorney

CITY OF WENATCHEE, WA
2009 Budget Ordinance
Ordinance #2008-37
Exhibit A

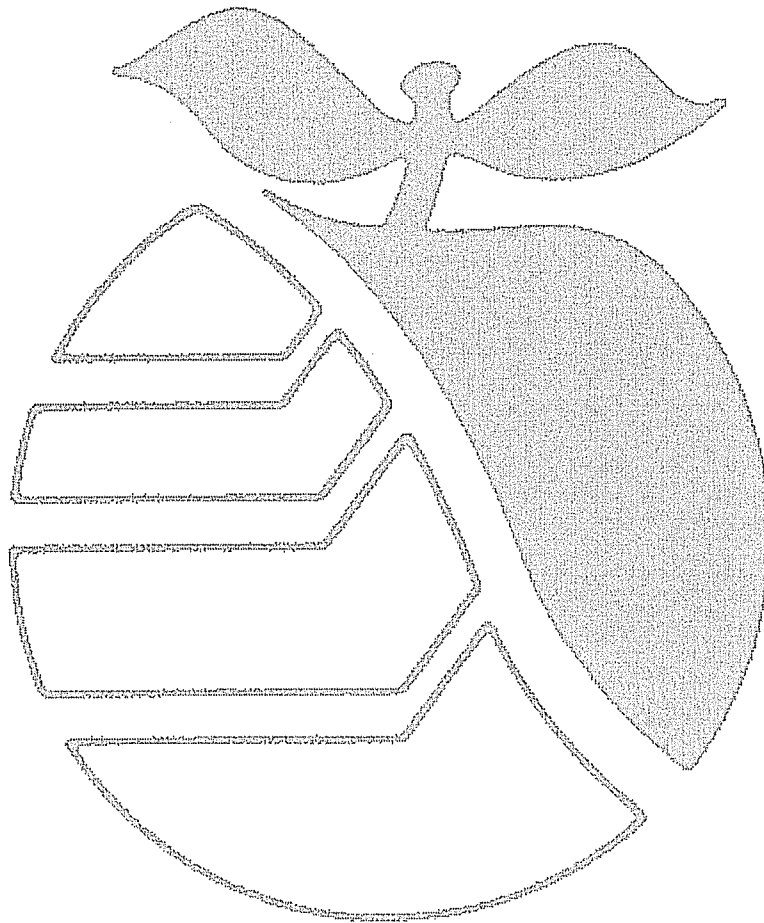
12/4/2008

Annual Appropriation Funds	Fund No.	Estimated Beginning Fund Balance	Revenue	Total Sources	Appropriations	Estimated Ending Fund Balance
General	001	3,412,679	22,155,150	25,567,829	22,048,628	3,519,201
Public Art	101	42,647	22,700	65,347	45,236	20,111
Paths and Trails	103	11,392	4,100	15,492	0	15,492
Tourism Promotion Area	104	0	179,900	179,900	179,900	0
Hotel/Motel - Capital	105	0	218,200	218,200	218,200	0
Convention Center	106	494,235	875,801	1,370,036	794,856	575,180
Hotel/Motel - Tourism	107	28,146	389,400	417,546	388,400	29,146
Streets	108	537,460	2,014,927	2,552,387	2,109,527	442,860
Arterial Street	109	879,673	9,727,575	10,607,248	9,887,427	719,821
Long-Term Care - LEOFF 1	110	513,711	164,200	677,911	149,000	528,911
Street Overlay	111	677,039	387,300	1,064,339	350,000	714,339
Ice Arena	112	0	0	0	0	0
Housing Rehabilitation	113	64,320	54,700	119,020	73,500	45,520
Community Center Operations	114	191,976	128,500	320,476	160,726	159,750
CDBG Entitlement	115	50,097	76,891	126,988	76,891	50,097
Health Insurance - LEOFF 1	116	385,348	591,500	976,848	580,000	396,848
Homeless Housing	117	156,984	314,700	471,684	372,168	99,516
Debt Service - UTGO Bonds	201	(14,493)	368,253	353,760	365,653	(11,893)
Debt Service - Councilmanic Bond	205	19,446	1,024,812	1,044,258	1,016,412	27,846
R.E. Capital Projects	301	129,773	375,100	504,873	506,379	(1,506)
Orondo Boat Moorage	309	0	593,407	593,407	593,407	0
Foothills Trail	310	0	122,869	122,869	122,869	0
City Hall-HVAC/Chamber Upgrade	311	61,021	0	61,021	60,000	1,021
Cemetery Endowment	610	772,946	28,000	800,946	0	800,946
Firemen's Pension	611	3,491,870	108,800	3,600,670	510,200	3,090,470
Total Annual Appropriation Funds			39,926,785		40,609,379	

Working Capital Funds	Fund No.	Estimated Beginning Working Capital	Revenue	Total Sources	Appropriations	Estimated Ending Working Capital
Water/Sewer	401	8,419,702	8,493,000	16,912,702	12,049,089	4,863,613
Storm Drain	410	522,190	1,027,300	1,549,490	1,383,415	166,075
Regional Water	415	2,135,563	1,428,500	3,564,063	2,353,258	1,210,805
Solid Waste	420	175,869	1,853,200	2,029,069	1,831,870	197,199
Cemetery	430	110,224	252,400	362,624	317,964	44,660
City Services - Equip. O&M	501	303,278	898,424	1,201,702	912,791	288,911
City Services - Equip. Replace.	503	870,146	271,330	1,141,476	424,965	716,511
City Services - Facilities	504	40,235	343,181	383,416	333,718	49,698
Self - Insurance	502	1,484,458	1,133,200	2,617,658	714,700	1,902,958
Information Systems	505	125,528	897,600	1,023,128	917,281	105,847
Total Working Capital Funds			16,598,135		21,239,051	
Total of all Funds			56,524,920		61,848,430	

This page left intentionally blank.

Part 15. Pay Plans



City payroll costs are comprised of a number of elements including wages and a variety of payroll taxes and employee benefits. Following is a brief description of the compensation components paid to City employees.

Labor Groups - The City of Wenatchee has four (4) labor groups:

- Management/Administrative – a non-represented, (non-union) group with employees in every city department.
- AFSCME, the Association of Federal, State, County & Municipal Employees – this union has employees in every city department.
- IAFF, the International Association of Firefighters – this union represents commissioned firefighters up through the rank of Battalion Chief. The Deputy Chiefs and the Fire Chief are in the Management/Administrative group.
- The Wenatchee Police Guild – this union represents commissioned police officers up through the rank of Sergeant. Captains and the Police Chief are in the Management/Administrative Group.
- Union groups have labor contracts with a maximum duration of three (3) years. Wages, benefits, hours of work and working conditions for the union groups may only be changed through a collective bargaining process that includes negotiation, mediation and/or binding-arbitration.
- The Management/Administrative group has historically received similar benefits and the same annual cost-of-living adjustments (COLAS) as the AFSCME union.

Salary Schedules

- The Management/Administrative salary schedule has five step increases which apply on the employee's hiring anniversary (see page 15-2).
- The AFSCME union has four step increases which apply on the employee's hiring anniversary (see page 15-3).
- The IAFF union has fixed salaries based on rank. Firefighters receive step increases if they move to a new rank from Firefighter Recruit through Battalion Chief (see page 15-4).
- The Police Guild union has fixed salaries based on rank. Officers receive step increases if they move to a new rank from Police Recruit through Sergeant (see page 15-5).
- Historically all labor groups receive an annual cost of living adjustment.

Employee Benefits

While there are variations among the labor groups, employee benefits basically include:

- Mandatory retirement contributions from employees and the City for the Washington State Department of Retirement Systems.
- Optional participation for a Deferred Compensation retirement program. The city contributes up to a 2% match of employee contributions.
- Paid Leave including sick leave, vacation, and paid holidays.
- Medical, dental, vision health insurance (see pages 15-6 through 15-11 for calendar year 2008 details).
- Employee Assistance Program for relational, legal and financial counseling.
- Flexible Spending Account for pre-tax savings on healthcare and childcare.
- Term life insurance and accidental death and dismemberment insurance paid for by the city. There are also supplemental plans which employees can self-pay.
- The City of Wenatchee Employment Handbook and labor contracts go into greater detail about employee benefits which include a listing of protections through Federal and State laws, for example, the Family and Medical Leave Act (FMLA) and Health Care Continuation Coverage (COBRA).

**City of Wenatchee
Management/Administrative Group Pay Plan**

January 2009 COLA = 4.5%

01/01/09

POSITION	Step 1	1 year Step 2 105%	1 year Step 3 105%	1 year Step 4 105%	1 year Step 5 106%
Police Chief	7,499.70	7,874.69	8,268.42	8,681.84	9,202.76
Public Works Director - Engineering	7,038.00	7,389.90	7,759.40	8,147.37	8,636.21
Public Works Director - Operations	7,038.00	7,389.90	7,759.40	8,147.37	8,636.21
Finance Director	6,866.91	7,210.26	7,570.77	7,949.31	8,426.27
Executive Services Director	6,866.91	7,210.26	7,570.77	7,949.31	8,426.27
Community Development Director	6,732.90	7,069.55	7,423.03	7,794.18	8,261.83
Fire Chief	6,732.90	7,069.55	7,423.03	7,794.18	8,261.83
City Engineer	6,624.31	6,955.52	7,303.30	7,668.46	8,128.57
Police Captain	6,376.77	6,695.61	7,030.39	7,381.91	7,824.82
Museum Director	6,109.62	6,415.11	6,735.86	7,072.65	7,497.01
Parks & Recreation Director	6,109.62	6,415.11	6,735.86	7,072.65	7,497.01
Human Resource Director	5,987.81	6,287.20	6,601.56	6,931.64	7,347.53
Information Systems Director	5,987.81	6,287.20	6,601.56	6,931.64	7,347.53
Assistant Fire Chief	5,987.81	6,287.20	6,601.56	6,931.64	7,347.53
Development Review Engineer	5,987.81	6,287.20	6,601.56	6,931.64	7,347.53
Assistant City Engineer	5,486.39	5,760.71	6,048.74	6,351.18	6,732.25
Environmental Manager	5,486.39	5,760.71	6,048.74	6,351.18	6,732.25
Public Works Superintendent	5,486.39	5,760.71	6,048.74	6,351.18	6,732.25
Network Administrator	5,483.69	5,757.87	6,045.77	6,348.06	6,728.94
Support & Technical Services Manager	5,107.46	5,362.83	5,630.97	5,912.52	6,267.27
Wastewater Supervisor	5,107.46	5,362.83	5,630.97	5,912.52	6,267.27
Accounting Supervisor	5,107.46	5,362.83	5,630.97	5,912.52	6,267.27
Inspection Services Manager	5,055.81	5,308.61	5,574.04	5,852.74	6,203.90
Recreation Supervisor	4,894.78	5,139.52	5,396.49	5,666.32	6,006.30
Water Distribution Supervisor	4,652.85	4,885.49	5,129.77	5,386.26	5,709.43
Street Maintenance Supervisor	4,652.85	4,885.49	5,129.77	5,386.26	5,709.43
Fleet & Facilities Supervisor	4,652.85	4,885.49	5,129.77	5,386.26	5,709.43
Parks Maintenance Supervisor	4,387.80	4,607.19	4,837.55	5,079.42	5,384.19
City Clerk	4,387.80	4,607.19	4,837.55	5,079.42	5,384.19
Contracts Coordinator	4,387.80	4,607.19	4,837.55	5,079.42	5,384.19
Associate Planner	4,192.04	4,401.64	4,621.72	4,852.81	5,143.98
Housing/Community Planner	4,192.04	4,401.64	4,621.72	4,852.81	5,143.98
Plans Examiner	4,192.04	4,401.64	4,621.72	4,852.81	5,143.98
Combination Inspector	4,192.04	4,401.64	4,621.72	4,852.81	5,143.98
Human Resource Specialist	4,104.13	4,309.34	4,524.81	4,751.05	5,036.11
Administrative Assistant to Police Chief	3,786.98	3,976.32	4,175.14	4,383.90	4,646.93
Administrative Assistant to Fire Chief	3,786.98	3,976.32	4,175.14	4,383.90	4,646.93
Administrative Assistant/Public Works	3,786.98	3,976.32	4,175.14	4,383.90	4,663.73
Administrative Asst. to Executive Services Director	3,786.98	3,976.32	4,175.14	4,383.90	4,646.93
Administrative Assistant/Community Development	3,786.98	3,976.32	4,175.14	4,383.90	4,646.93
Code Compliance Inspector	3,786.98	3,976.32	4,175.14	4,383.90	4,646.93
IS Support Technician II	3,786.98	3,976.32	4,175.14	4,383.90	4,646.93
Community Center Coordinator/Housing Rehab.	3,786.98	3,976.32	4,175.14	4,383.90	4,646.93
Assistant Planner	3,786.98	3,976.32	4,175.14	4,383.90	4,646.93
IS Support Technician I	3,218.88	3,379.83	3,548.82	3,726.26	3,949.83

(1) Individual in this position receives more than regular Step 5 as they did not receive the 106% Step 5 increase 1/1/97 as their longevity pay (which was eliminated) was greater than the 1% increase. As this position changes due to termination/retirement salary will be adjusted back to the regular Step 5.

(2) Current employee works .62%/month. Actual salary is adjusted to reflect part-time

(3) Current employee works 35 hours/week. Actual salary is adjusted to reflect part-time

PUBLIC WORKS (AFSCME)				
4.5% COLA effective 1/1/09				
	STEP 1	2 YEAR STEP 2 105%	3 YEAR STEP 3 105%	4 YEAR STEP 4 105%
Associate Engineer	4,495.20	4,719.96	4,955.95	5,203.76
Engineer Technician	4,272.37	4,485.98	4,710.28	4,945.80
Regional Water Operator	4,054.33	4,257.04	4,469.89	4,693.39
Maintenance Worker/WWTP	4,054.33	4,257.04	4,469.89	4,693.39
Museum Curator	4,002.98	4,203.12	4,413.28	4,633.95
Traffic Light Technician	4,002.98	4,203.12	4,413.28	4,633.95
Museum Projects Coordinator	3,995.35	4,195.12	4,404.87	4,625.12
Quality Control Technician	3,989.40	4,188.87	4,398.32	4,618.23
Environmental Technician	3,989.40	4,188.87	4,398.32	4,618.23
Plan Review Specialist	3,982.43	4,181.55	4,390.64	4,610.17
WWTP Operator	3,946.82	4,144.16	4,351.37	4,568.95
WWTP Operator/Collections	3,946.82	4,144.16	4,351.37	4,568.95
Regional Operator/Utility Worker/Water	3,946.82	4,144.16	4,351.37	4,568.95
Lab Technician	3,915.59	4,111.37	4,316.94	4,532.79
Facility Maintenance Technician-HVAC Specialist	3,915.59	4,111.37	4,316.94	4,532.79
Mechanic	3,842.37	4,034.49	4,236.21	4,448.01
Facility Maintenance Technician-Generalist	3,709.35	3,894.81	4,089.56	4,294.03
Exhibits Coordinator	3,648.27	3,830.69	4,022.22	4,223.33
Recreation Coordinator	3,648.27	3,830.69	4,022.22	4,223.33
Utility Worker/Water	3,608.03	3,788.43	3,977.86	4,176.75
Utility Worker/Streets	3,608.03	3,788.43	3,977.86	4,176.75
Utility Worker/Street-Storm	3,608.03	3,788.43	3,977.86	4,176.75
Utility Worker/Water-Storm	3,608.03	3,788.43	3,977.86	4,176.75
Water Service Specialist	3,608.03	3,788.43	3,977.86	4,176.75
Utility Worker/Parks	3,533.67	3,710.35	3,895.88	4,090.67
Cemetery Groundskeeper	3,533.67	3,710.35	3,895.88	4,090.67
Museum P.R. Coordinator	3,533.67	3,710.35	3,895.88	4,090.67
Trustie Coordinator	3,533.67	3,710.35	3,895.88	4,090.67
Permit Specialist	3,475.94	3,649.74	3,832.23	4,023.84
Accounting Technician	3,436.50	3,608.33	3,788.74	3,978.18
Fleet & Facilities Specialist	3,436.50	3,608.33	3,788.74	3,978.18
Police Records Specialist	3,265.73	3,429.02	3,600.47	3,780.48
Museum Secretary	3,113.81	3,269.50	3,432.97	3,604.62
Fire & Rescue Secretary	3,113.81	3,269.50	3,432.97	3,604.62
Parks & Recreation Secretary	3,113.81	3,269.50	3,432.97	3,604.62
Utility Billing Specialist	3,113.81	3,269.50	3,432.97	3,604.62
Traffic Bureau Clerk	3,084.64	3,238.87	3,400.82	3,570.85
Police Records Specialist II	2,983.21	3,132.37	3,288.99	3,453.43
Public Works Receptionist	2,910.01	3,055.52	3,208.29	3,368.70
Parking Control Officer	2,910.01	3,055.52	3,208.29	3,368.70
Customer Service Representative	2,680.69	2,814.73	2,955.47	3,103.24

International Association of Firefighters (IAFF) Local 453
2008 Wages**
(2.8% COLA effective January 1, 2008)

	<u>Monthly Rate</u>	<u>% of Base</u>
Battalion Chief	\$6060.02	120
1 st Step Battalion Chief	5,807.52	115
Captain/Lieutenant	5,555.02	110
1 st Step Captain/Lieutenant	5,454.02	108
Firefighter Engineer (Alarm Sup./Sec./Mechanic)	5,302.52	105
Firefighter (1 st Class)	5,050.02	100
<hr/>		
Firefighter (2 nd Class)	4,292.52	85
Firefighter (3 rd Class)	4,040.02	80
Firefighter (Recruit)	3,787.52	75

***The labor contract between the City of Wenatchee and IAFF Local #453 expired on December 31, 2008. Negotiations for an updated labor contract have been underway since April 2008 and continue at the writing of this budget document. Until a contract settlement is reached the provisions of the previous contract will continue to be followed.*

**Wenatchee Police Guild Wages
5% COLA Effective January 1, 2009**

	<u>Monthly Rate</u>	<u>Percent of Base</u>
Sergeant	\$6,427.17	115
Corporal	\$6,008.00	107.5
Police Officer, First Class	\$5,588.84	100
<hr/>		
Police Officer, Second Class	\$5,029.96	90
Police Officer, Third Class	\$4,750.51	85
Police Officer, Recruit	\$4,303.41	77

Z:\SLFIN\SURV\HLTHRATE\2009 Rates\09 Rates v3

1/23/2009

CITY OF WENATCHEE, WA
2009 Health Insurance Premiums

MGMT/NONREP - AWC Medical Plan: Health First		Annual 2009 Medical Premiums					
		Monthly 2009 Medical Premiums					
	Ee only	Ee + Sp	Ee+Sp+1dep	Ee+Sp+2+dep	Ee+1dep	Ee+2+dep	
Medical	469.40	938.80	1,167.30	1,355.90	697.90	886.50	
Dental	50.96	101.62	158.64	158.64	107.98	107.98	
Vision	15.67	15.67	15.67	15.67	15.67	15.67	
Total Cost	536.03	1,056.09	1,341.61	1,530.21	821.55	1,010.15	
City Pays	536.03	926.08	1,140.22	1,281.67	750.17	891.62	
Employee Pays	0.00	130.01	201.39	248.54	71.38	118.53	

City pays: 100.0% for employee medical,
dental and vision
75.0% for dependent medical,
dental and vision

2009 Premium Elements			
	Medical	Dental	Vision
Employee	469.40	50.96	15.67
Spouse	469.40	50.66	0.00
1st dependent	228.50	57.02	0.00
2+ dependents	188.60	0.00	0.00

Z:\SLFIN\SURV\HLTHRATE\2009 Rates\09 Rates v3

1/23/2009

CITY OF WENATCHEE, WA
2009 Health Insurance Premiums

MGMT/NONREP Half Time - AWC Medical Plan: Health First									
Monthly 2009 Medical Premiums									
						Annual 2009 Medical Premiums			
Ee only		Ee + Sp		Ee+Sp+1dep		Ee+Sp+2+dep		Ee+1dep	
Medical	469.40	938.80	1,167.30	1,355.90	697.90	886.50			
Dental	50.96	101.92	158.64	158.64	107.98	107.98			
Vision	15.67	15.67	15.67	15.67	15.67	15.67			
Total Cost	536.03	1,056.09	1,341.61	1,530.21	821.55	1,010.15			
City Pays	268.02	463.04	570.11	640.84	375.09	445.82			
Employee Pays	268.01	593.05	771.50	889.37	446.46	564.33			
City pays:						Assumes employees work 20-hours per week (City therefore pays 50% of normal contribution)			
						for employee medical, dental and vision			
						37.5% for dependent medical, dental and vision			
						Ee+1dep			
						Ee+2+dep			
						Ee+1dep			
						Ee+2+dep			
						Ee+1dep			
						Ee+2+dep			
						Ee+1dep			
						Ee+2+dep			
						Ee+1dep			
						Ee+2+dep			
						Ee+1dep			
						Ee+2+dep			
						Ee+1dep			
						Ee+2+dep			
						Ee+1dep			
						Ee+2+dep			
						Ee+1dep			
						Ee+2+dep			
						Ee+1dep			
						Ee+2+dep			
						Ee+1dep			
						Ee+2+dep			
						Ee+1dep			
						Ee+2+dep			
						Ee+1dep			
						Ee+2+dep			
						Ee+1dep			
						Ee+2+dep			
						Ee+1dep			
						Ee+2+dep			
						Ee+1dep			
						Ee+2+dep			
						Ee+1dep			
						Ee+2+dep			
						Ee+1dep			
						Ee+2+dep			
						Ee+1dep			
						Ee+2+dep			
						Ee+1dep			
						Ee+2+dep			
						Ee+1dep			
						Ee+2+dep			
						Ee+1dep			
						Ee+2+dep			
						Ee+1dep			
						Ee+2+dep			
						Ee+1dep			
						Ee+2+dep			
						Ee+1dep			
						Ee+2+dep			
						Ee+1dep			
						Ee+2+dep			
						Ee+1dep			
						Ee+2+dep			
						Ee+1dep			
						Ee+2+dep			
						Ee+1dep			
						Ee+2+dep			
						Ee+1dep			
						Ee+2+dep			
						Ee+1dep			
						Ee+2+dep			
						Ee+1dep			
						Ee+2+dep			
						Ee+1dep			
						Ee+2+dep			
						Ee+1dep			
						Ee+2+dep			
						Ee+1dep			
						Ee+2+dep			
						Ee+1dep			
						Ee+2+dep			
						Ee+1dep			
						Ee+2+dep			
						Ee+1dep			
						Ee+2+dep			
						Ee+1dep			
						Ee+2+dep			
						Ee+1dep			
						Ee+2+dep			
						Ee+1dep			
						Ee+2+dep			
						Ee+1dep			
						Ee+2+dep			
						Ee+1dep			
						Ee+2+dep			
						Ee+1dep			
						Ee+2+dep			
						Ee+1dep			
						Ee+2+dep			
						Ee+1dep			
						Ee+2+dep			
						Ee+1dep			
						Ee+2+dep			
						Ee+1dep			
						Ee+2+dep			
						Ee+1dep			
						Ee+2+dep			
						Ee+1dep			
						Ee+2+dep			
						Ee+1dep			
						Ee+2+dep			
						Ee+1dep			
						Ee+2+dep			
						Ee+1dep			
						Ee+2+dep			
						Ee+1dep			
						Ee+2+dep			
						Ee+1dep			
						Ee+2+dep			
						Ee+1dep			
						Ee+2+dep			
						Ee+1dep			
						Ee+2+dep			
						Ee+1dep			
						Ee+2+dep			
						Ee+1dep			
						Ee+2+dep			
						Ee+1dep			
						Ee+2+dep			
						Ee+1dep			
						Ee+2+dep			
						Ee+1dep			
						Ee+2+dep			
						Ee+1dep			
						Ee+2+dep			
						Ee+1dep			
						Ee+2+dep			
						Ee+1dep			
						Ee+2+dep			
						Ee+1dep			
						Ee+2+dep			
						Ee+1dep			
						Ee+2+dep			
						Ee+1dep			
						Ee+2+dep			
						Ee+1dep			
						Ee+2+dep			
						Ee+1dep			
						Ee+2+dep			
						Ee+1dep			
						Ee+2+dep			
						Ee+1dep			
						Ee+2+dep			
						Ee+1dep			
						Ee+2+dep			
						Ee+1dep			
						Ee+2+dep			
						Ee+1dep			
						Ee+2+dep			
						Ee+1dep			
						Ee+2+dep			
						Ee+1dep			
						Ee+2+dep			
						Ee+1dep			
						Ee+2+dep			
						Ee+1dep			
						Ee+2+dep			
						Ee+1dep			
						Ee+2+dep			
						Ee+1dep			
						Ee+2+dep			
						Ee+1dep			
						Ee+2+dep			
						Ee+1dep			
						Ee+2+dep			
						Ee+1dep			
						Ee+2+dep			
						Ee+1dep			
						Ee+2+dep			
						Ee+1dep			
						Ee+2+dep			
						Ee+1dep			
						Ee+2+dep			
						Ee+1dep			
						Ee+2+dep			
						Ee+1dep			
						Ee+2+dep			
						Ee+1dep			
						Ee+2+dep			
						Ee			

Z:\SL\FINSUR\HLTHRATE\2009 Rates\09 Rates v3

1/23/2009

CITY OF WENATCHEE, WA
2009 Health Insurance Premiums

AFSCME - AWC Medical Plan: B		Monthly 2009 Medical Premiums						Annual 2009 Medical Premiums					
		Ee only	Ee + Sp	Ee+Sp+1dep	Ee+Sp+2+dep	Ee+1dep	Ee+2+dep	Ee only	Ee + Sp	Ee+Sp+1dep	Ee+Sp+2+dep	Ee+1dep	Ee+2+dep
Medical	507.10	1,014.20	1,249.75	1,453.20	1,453.20	742.65	946.10	6,085.20	12,170.40	14,997.00	17,438.40	8,911.80	11,353.20
Dental	50.96	101.62	158.64	158.64	158.64	107.98	107.98	611.52	1,219.44	1,903.68	1,903.68	1,295.76	1,295.76
Vision	15.67	15.67	15.67	15.67	15.67	15.67	15.67	188.04	188.04	188.04	188.04	188.04	188.04
Total Cost	573.73	1,131.49	1,424.06	1,627.51	1,627.51	866.30	1,069.75	6,884.76	13,577.88	17,088.72	19,530.12	10,395.60	12,837.00
City Pays	573.73	992.05	1,211.48	1,384.07	1,384.07	793.16	945.75	6,884.76	11,904.60	14,537.76	16,368.84	9,517.92	11,349.00
Employee Pays	0.00	139.44	212.58	263.44	263.44	73.14	124.00	0.00	1,673.28	2,550.96	3,161.28	877.68	1,488.00
City pays:		100.0% for employee medical, dental and vision											
		75.0% for dependent medical, dental and vision											

2009 Premium Elements			
	Medical	Dental	Vision
Employee	507.10	50.96	15.67
Spouse	507.10	50.66	0.00
1st dependent	235.55	57.02	0.00
2+ dependents	203.45	0.00	0.00

Z:\SLFINSUR\HLTHRATE\2009 Rates\09 Rates v3

1/23/2009

CITY OF WENATCHEE, WA
2009 Health Insurance Premiums

AFSCME Half Time - AWC Medical Plan: B									
Monthly 2009 Medical Premiums						Annual 2009 Medical Premiums			
Ee only	Ee + Sp	Ee+Sp+1dep	Ee+Sp+2+dep	Ee+1dep	Ee+2+dep	Ee only	Ee + Sp	Ee+Sp+1dep	Ee+Sp+2+dep
Medical	507.10	1,014.20	1,453.20	742.65	946.10	6,085.20	12,170.40	14,997.00	17,438.40
Dental	50.96	101.62	158.64	107.98	107.98	611.52	1,219.44	1,903.68	1,903.68
Vision	15.67	15.67	15.67	15.67	15.67	188.04	188.04	188.04	188.04
Total Cost	573.73	1,131.49	1,627.51	866.30	1,069.75	6,884.76	13,577.88	17,088.72	19,530.12
City Pays	286.87	496.03	605.74	396.58	472.88	3,442.44	5,952.36	7,268.88	8,184.48
Employee Pays	286.86	635.46	818.32	469.72	596.87	3,442.32	7,625.52	9,819.84	11,345.64
City pays:	50.0%	for employee medical, dental and vision				Assumes employees work 20-hours per week (City therefore pays 50% of normal contribution)			
	37.5%	for dependent medical, dental and vision				5,674.56			
						7,162.44			

2009 Premium Elements			
	Medical	Dental	Vision
Employee	507.10	50.96	15.67
Spouse	507.10	50.66	0.00
1st dependent	235.55	57.02	0.00
2+ dependents	203.45	0.00	0.00

Z:\SLFIN\SURV\HLTHRATE\2009 Rates\09 Rates v3

CITY OF WENATCHEE, WA
2009 Health Insurance Premiums

1/23/2009

FIRE UNION - LEOFF 2 - AWC Medical Plan: B									
Monthly 2009 Medical Premiums			Annual 2009 Medical Premiums						
Ee only	Ee + Sp	Ee+Sp+1dep	Ee+Sp+2+dep	Ee+1dep	Ee+2+dep	Ee only	Ee + Sp	Ee+Sp+1dep	Ee+Sp+2+dep
Medical	507.10	1,014.20	1,249.75	1,453.20	946.10	6,085.20	12,170.40	14,997.00	17,438.40
Dental	50.96	101.62	158.64	158.64	107.98	611.52	1,219.44	1,903.68	1,903.68
Vision	15.67	15.67	15.67	15.67	15.67	188.04	188.04	188.04	188.04
Total Cost	573.73	1,131.49	1,424.06	1,627.51	1,069.75	6,884.76	13,577.88	17,088.72	19,530.12
City Pays	573.73	1,075.71	1,339.03	1,522.13	837.04	6,884.76	12,908.52	16,068.36	18,265.56
Employee Pays	0.00	55.78	85.03	105.38	29.26	0.00	669.36	1,020.36	1,264.56
City pays: 100.0% for employee medical, dental and vision									
90.0% for dependent medical, dental and vision									
Employee Pays 351.12									

2009 Premium Elements			
	Medical	Dental	Vision
Employee	507.10	50.96	15.67
Spouse	507.10	50.66	0.00
1st dependent	235.55	57.02	0.00
2+ dependents	203.45	0.00	0.00

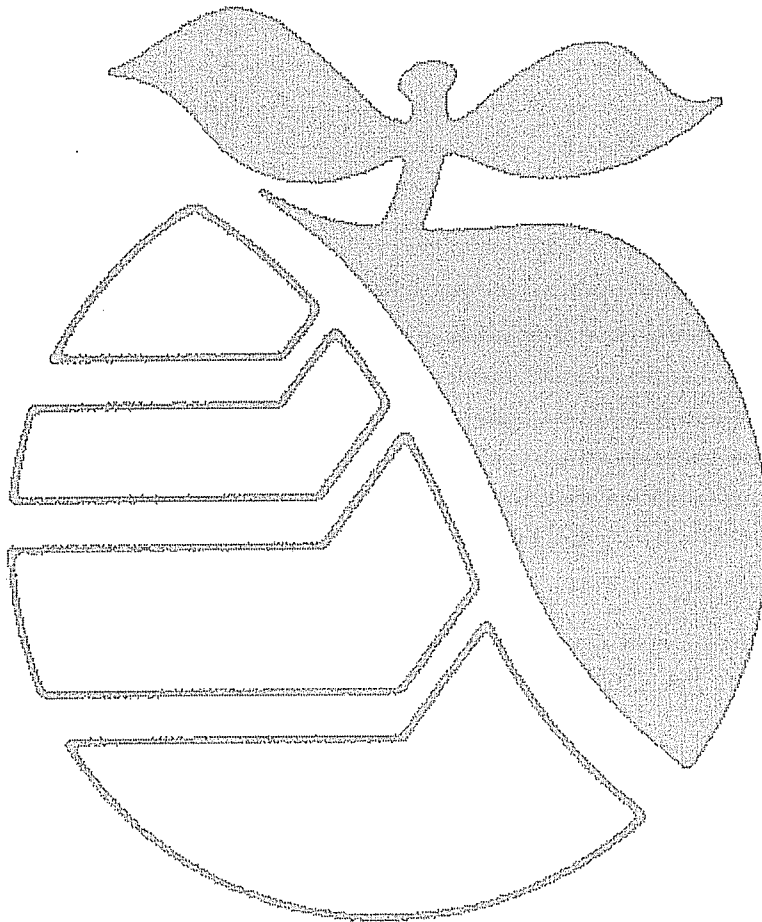
1/23/2009

POLICE GUILD - LEOFF 2 - AWC Medical Plan: B

City pays:	100.0%	for employee medical, dental and vision
	90.0%	for dependent medical, dental and vision

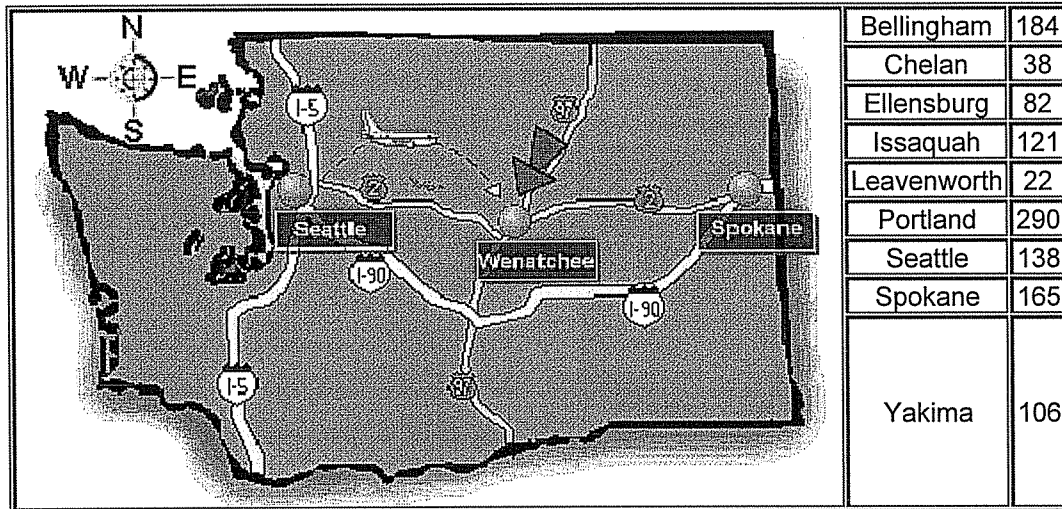
	2009 Premium Elements		
	Medical	Dental	Vision
Employee	507.10	50.96	15.67
Spouse	507.10	50.66	0.00
1st dependent	235.55	57.02	0.00
2+ dependents	203.45	0.00	0.00

Part 16. Statistical Information



ABOUT THE CITY OF WENATCHEE

The City of Wenatchee was founded in 1892. Local Indian lore claims that Wenatchee's name comes from a poetic description of the area, *Wa-Nat-Chee*, meaning *robe of the rainbow*. It is located in Chelan County and has become the population and trade center for North Central Washington. North Central Washington is connected to Interstate 90 via U.S. 97 over Blewett Pass or via U.S. 28 and 281 through Quincy intersecting with George at Interstate 90. Destination, in miles, from Wenatchee to some of the other cities in the state is as follows:



A diverse economy is the key factor in maintaining steady population growth and high quality of life. Agriculture, health care, retail trade services and tourism are the main sources of revenue for the area. Agriculture is the largest and most influential of these on Wenatchee's economy.

Located 651 feet above sea level, the Wenatchee Valley is surrounded by mountains reaching peak elevations of 8,000 feet. The city itself has a population of 30,810 while the Greater Wenatchee Area boasts a population of approximately 70,000. This Area includes the cities of Entiat and Chelan to the north along the Columbia River; Cashmere and Leavenworth to the west; and East Wenatchee, which is located on the east side of the Columbia River.

Protected by the neighboring Cascade Mountain Range, the Wenatchee Valley features a 180-day growing season. The climate is dry with abundant sunshine and four distinct seasons. Annual rainfall averages approximately 9 inches. With the aid of irrigation, however, lush vegetation is able to flourish from spring to summer. Summer temperatures typically climb into the 90's by mid-July with a few 100-degree days in August. The winter season typically has temperatures of 25-35 degrees. Average annual snowfall is 37 inches.

Economy

The apple crop is the primary source of agricultural revenue for the Wenatchee valley. Other important fruit crops include cherries, pears and peaches. Wenatchee is an ideal location for new or expanding ag-related businesses. There is an existing base of skilled workers, fruit processors, packagers and support industries. The **Washington State University Tree Fruit Research Center** and the **Washington Apple Commission** are also based here.

Other major employers, other than agriculture, are medical services, manufacturers, utilities and government agencies. A dependable labor force, low utility cost, and easy availability of natural resources combine to make the area attractive to a wide range of businesses and organizations.

The following table reflects the average employment by sector:

Industry	Percentage
Agriculture	23.10%
Mining	*
Utilities	*
Construction	4.90%
Manufacturing	5.70%
Wholesale Trade/Retail Trade	15.50%
Transportation & Warehousing	1.70%
Information	1.30%
Finance & Insurance, Real Estate	3.10%
Professional & Technical Services	1.70%
Management of Companies & Enterprises	0.10%
Administrative & Waste Services	1.60%
Educational Services	0.20%
Health Care & Social Assistance	12.30%
Arts/Entertainment/Recreation	1.30%
Accommodation & Food Service	8.70%
Other Services (Except Public Admin)	2.50%
Government	16.10%
Not Elsewhere Classified	0.10%

** Not provided so as not to disclose the identity of Employer*

*Source: Office of Financial Management
(update 2007)*

Downtown

Our historic downtown is the regional center for specialty stores, restaurants, and cultural activities. The downtown area has a growing workforce of 3,500 according to the Wenatchee Downtown Association. The Port of Chelan County conducted a survey of visitors (June 2000) to Chelan County and found that 29% of the visitors were 35 - 54 (average age was 34.5); the average income was \$72,244 and 83% of the visitors to Wenatchee were from the Seattle metropolitan area. The Wenatchee Valley Museum and Cultural Center, Wenatchee Children's Discovery Museum and the Riverside Playhouse call downtown home. The Wenatchee Downtown Association, an economic development organization, is the support organization for the downtown community. The WDA plans an annual calendar of events such as Washington Harvest Festival, Finish Line Fest and Holiday Community Tree Lighting Ceremony. For more information regarding the WDA and services they provide, please visit their web-site at www.wendowntown.org.

Recreation

The Wenatchee Valley has much to offer in the way of recreational opportunities for residents of the North Central Washington area. The valley's four distinct seasons and sunny climate encourage residents and visitors alike to get out and enjoy the numerous outdoor recreational opportunities.

The Columbia River attracts boaters, water-skiers, and wind surfers. Anglers seek trophy salmon, sturgeon, and walleye from the Columbia River, as well as steelhead, trout, whitefish and other game fish from the Wenatchee, Entiat and Methow river systems. Golfing can be enjoyed on any of the regions eight golf courses, including Desert Canyon Golf Resort, which has twice hosted the PGA Northwest Open. Wenatchee also has beautiful city parks that offer a variety of activities. **Ohme Gardens**, a nine-acre garden just outside the city limits, offers visitors shady forest groves, waterfalls, rustic shelters and stone formations rising from rich greenery.

Winter sports include downhill and cross-country skiing, snowmobileing, ice-climbing and ice fishing. **Mission Ridge**, located 12 miles from Wenatchee, offers 30 major ski runs that are spread over 12,000 acres. Crisp, cold winters and dry powdery snow conditions create some of the best downhill ski conditions in the Northwest.

The following pages provide additional statistical information related to the City of Wenatchee.

CITY OF WENATCHEE, WA COMMUNITY PROFILE

Date of Incorporation	1892
Form of Government	Mayor/Council
Number of Employees (excluding Police & Fire)	109.15
Population	30,810
Area in Square Miles	7.717
Area in Acres	4939
City of Wenatchee Facilities & Services:	
Miles of Streets	116
Culture and Recreation:	
Parks	13
Park Acreage	80.12
Swimming Pools	1
Wading Pools	4
Splash Pad	1
Picnic Shelters	3
Community Center	1
Museums	1
Square footage of exhibit space	50,000
Fire Protection:	
Number of Stations	2
Number of Firefighters	34
Total Personnel	36
Police Protection:	
Number of Stations	1
Number of Police Officers	44
Total Personnel	55
Sewerage System:	
Miles of sanitary sewers	116
Miles of storm sewers	125
Number of residential customers	8,582
Number of commercial customers	1,441
Daily average treatment in gallons	3.1 million
Maximum daily capacity of treatment (gal)	5.5 million

Water System:

Miles of water mains	106
Number of residential customers	6,258
Number of commercial customers	1,360
Number of fire hydrants	938
Daily average City consumption (in gallons)	4.70 million
Daily average Regional Water consumption (in gallons)	11 million
Total Chlorine (pounds per day)	37
Maximum daily capacity of plant (in gallons)	22.5 million

Facilities and Services not included in reporting entity:

Education:

Number of elementary schools	7
Number of middle schools	3
Number of high schools	1
Average student population	7,728
Number of community colleges (Wenatchee Campus)	1
Average district community college enrollment (per quarter)	2,937

Hospitals/Clinics:

Number of hospitals	2
Number of Hospital Beds	228
Number of clinics	3

Public Facility District:

1 Event arena with 4,300 fixed seats and two sheets of ice

**2007 Average Employment by Industry
Chelan County**

Industry	2006 Average
Agriculture	8,957
Mining	*
Utilities	*
Government	6,268
Health Care & Social Assistance	4,774
Wholesale/Retail Trade	6,035
Accommodation & Food Service	3,394
Manufacturing	2,216
Construction	1,918
Other Services (Except Public Admin)	990
Finance & Insurance, Real Estate	1,190
Transportation & Warehousing	648
Professional & Technical Services	677
Administrative & Waste Services	616
Educational Services	92
Information	504
Arts/Entertainment/Recreation	492
Management of Companies & Enterprises	39
Not Elsewhere Classified	46
Total	38,856

** Not provided so as not to disclose the identity of Employer*

**Figures for Chelan County as most recently
reported by Office of Financial Management,
Databook*

**CITY OF WENATCHEE
Demographic Statistics
Previous Ten Fiscal Years**

Fiscal Year	(1) Population	Per Capita Income (2)	Median Household Income (3)	School Enrollment (4)	Unemployment Rate (5)
1998	25,292	\$ 23,877	\$ 37,130	6,652	8.70%
1999	25,620	\$ 23,823	\$ 37,316	7,208	8.60%
2000	27,856	\$ 25,106	\$ 39,137	7,389	6.40%
2001	27,930	\$ 25,013	\$ 39,611	7,283	7.80%
2002	28,270	\$ 26,938	\$ 39,330	7,272	8.30%
2003	28,470	\$ 27,311	\$ 39,340	7,357	8.20%
2004	28,760	\$ 28,815	\$ 40,389	7,451	6.70%
2005	29,320	\$ 29,657	\$ 41,778	7,422	5.80%
2006	29,920	\$ 30,817	\$ 43,368	7,480	6.10%
2007	30,270	NA	\$ 47,565	7,671	5.80%
2008	30,810	NA	\$ 57,000	7,728	5.00%

Data Sources

(1) Bureau of the Census.

(2) Bureau of Economic Analysis - Chelan County

(3) WA State Office of Financial Management - Chelan County

(4) Office of Superintendent of Public Instruction

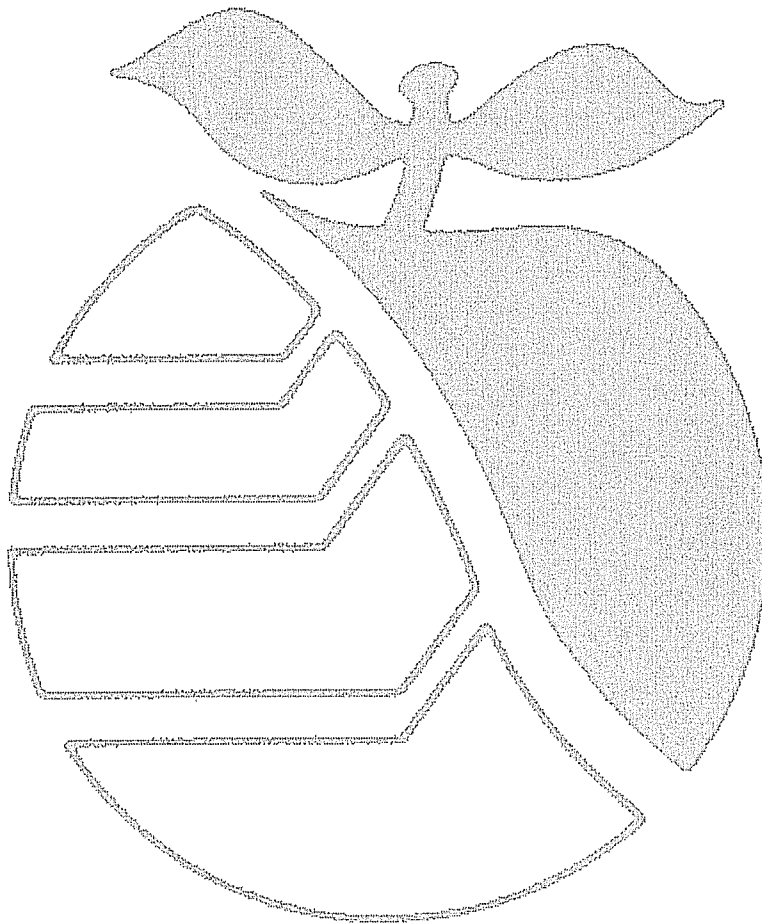
(5) Washington State Employment Security Department

**City of Wenatchee
Assessed Value of Taxable Property**

Fiscal Year	Estimated Assessed Value
1998 for 1999 tax collections	1,251,892,105
1999 for 2000 tax collections	1,294,719,725
2000 for 2001 tax collections	1,314,504,217
2001 for 2002 tax collections	1,359,914,615
2002 for 2003 tax collections	1,437,602,975
2003 for 2004 tax collections	1,458,556,964
2004 for 2005 tax collections	1,497,299,979
2005 for 2006 tax collections	1,589,277,760
2006 for 2007 tax collections	1,848,530,303
2007 for 2008 tax collections	1,894,796,901
2008 for 2009 tax collections(preliminary)	1,969,727,938

Source: Chelan County Assessor's Office

Part 17. Glossary



Account - A record of additions, deletions, and balances of individual assets, liabilities, equity, revenues and expenses.

Accrual Basis - Refers to the accounting recognition of revenues and expenditures on the basis of when they are incurred or committed, rather than when they are made or received. All funds except the governmental funds are accounted on this basis and the governmental funds are accounted on a modified accrual basis.

Agency Fund - A governmental accounting classification used to describe those situations where one jurisdiction is acting on behalf of another.

Appropriation - The legal spending level authorized by an ordinance of the City Commission. Spending should not exceed this level with prior approval of the Commission.

Assessed Valuation - The value assigned to properties within the City which is used in computing the property taxes to be paid by property owners.

BARS - The Budgeting, Accounting and Reporting System for accounting systems prescribed by the Washington State Auditor's Office.

Benefits - The City provided employee benefits such as social security insurance, retirement, worker's compensation, life insurance, medical insurance and dental insurance.

Budget - A financial plan of operations for the City. It is a plan, not a list of accounts and amounts.

Capital Project - A single project within the Capital Financing Plan.

Costs Allocation - The assignment of applicable costs incurred by a central services department (like Finance or Human Resources) to a fund based on the benefit to the fund being assessed.

Councilmanic Bonds - Also referred to as non-voted or limited tax general obligation (LTGO) bonds, which can be authorized by the City Council in an amount up to 1.50 percent of the assessed valuation of the City.

Current Expense Fund - See "General Fund"

Debt Service - Interest and principle payments on debt.

Debt Service Funds - A type of fund that accounts for the payment of debt service on general obligations of the City.

Designated Fund Balance - A portion of fund balance, which has been designated by past Commission action as designated for a specific purpose.

Encumbrances - The amount of funds committed to vendors for goods and services received or to be received by the City as specified in a City purchase order.

Enterprise Fund - A type of proprietary fund which contains the activities of funds where the intent is for the direct beneficiaries are to pay for all costs of the fund through fees or where a periodic determination of revenues and expenses is desired by management.

Estimated Revenue – The amount of projected revenue to be collected during the fiscal year.

Expenditure – Funds spent in accordance with budgeted appropriations on assets or goods and services obtained.

Fund – An independent fiscal and accounting entity with a self balancing set of accounts recording cash and/or resources together with all related liabilities, obligations, reserves and equities, which are segregated for the purpose of carrying on specific activities or attaining certain objectives.

Fund Balance – The excess of the fund's assets and estimated revenues for the period over its liabilities, reserves and appropriations for the period.

GAAP - "Generally Accepted Accounting Principles" GAAP for governments are mostly determined by the GASB.

GASB - "Governmental Accounting Standards Board" Determines the underlying principles to be used in accounting for governmental activities.

General Fund - The fund of the City that accounts for all activity not specifically accounted for in other funds. It is a fund supported by taxes, fees and other miscellaneous revenues. Includes such operations as police, fire, engineering, planning, parks, museum and administration.

General Obligations Bonds - Bonds or other indebtedness of the City for which the pledge made for repayment is the full faith and credit of the City.

Governmental Fund Types - Funds that provide general government services. These include the General Fund, Special Revenue Funds, Capital Projects Funds and Debt Service Funds.

Grant – A payment from one level of government to another or from one government to a private organization. Practically all federal aid to state and local governments are in this form. Grants are usually made for specific purposes.

Intergovernmental Revenues – Revenue received from other governments in the form of grants, shared revenues or payments in lieu of taxes.

Intergovernmental Services – Intergovernmental purchases of those specialized services typically performed by local governments (usually recorded in the Internal Service Funds)

Internal Controls - A system of controls established by the City designed to safe guard the assets of the City and provide reasonable assurances as to the accuracy of financial data.

Internal Service Funds - A type of proprietary fund which accounts for the goods and services which are provided to other units of the City and payment by the benefiting unit is intended to fund the costs of providing such services.

LEOFF (Law Enforcement Officer and Fire Fighter) - A retirement system of the State which provides for law enforcement and fire fighter personnel of the City.

Levy Rate - The property tax rate used in computing the property tax amount to be paid.

Licenses and Permits - A revenue category of the City derived from business licenses, building and development permits.

LID (Local Improvement Districts) - A financing mechanism, which permits the building of public infrastructure improvements which benefit a confined area and where the costs for those improvements are to be paid for by the benefiting area land owners.

Long Term Debt – Debt with a maturity of more than one year after the date of issuance.

Operating Budget - The annual appropriation to maintain the provision of City services to the public.

PERS (Public Employee Retirement System) - The state prescribed system for public employment retirement applicable to City employees except where LEOFF is applicable.

Preliminary Budget - That budget which is proposed by staff to the City Council and has not yet been adopted by the Council.

Proprietary Funds - A group of funds that account for the activities of the City, which are of a proprietary or "business" character. See Enterprise Fund.

Public Safety – An additional term used to describe the Police and Fire Departments.

Revenue Bonds - Bonds sold by the City that are secured only by the revenues of a particular system, usually the Water/Sewer, Storm Drain and the Regional Water Funds.

Special Revenue Funds - General government funds where the source of moneys is dedicated to a specific purpose.

Standard Work Year - 2080 hours a year or 260 days.

Taxes – Compulsory charges levied by a government to finance services performed for the common benefit. This term does not include specific charges made against particular persons or property for current or permanent benefits, such as special assessments. Neither does the term include charges for services rendered only to those paying such charges (e.g. sewer service charges).

Working Capital - The year-end balance of current assets less current liabilities.